

# Charitable and Deferred Annuities

INCOME NOW, COMMUNITY GOOD LATER

Do you want a guaranteed income stream for your life or the life of a loved one, either now or in the future? Would you like to leave assets or a bequest to a nonprofit(s) or an issue area you care about after you and your loved ones are gone? Do you want to reduce your income and capital gains taxes? If you answered “yes” to these questions, then a gift annuity that provides income now and community good later could be right for you.

“Charitable gift annuities are a marvelous way to be philanthropic later, yet create a steady stream of income now.”



*Christy Butler Eckoff,  
managing director,  
philanthropic counsel,  
Community Foundation  
for Greater Atlanta*

Visit [cfgreateratlanta.org](http://cfgreateratlanta.org)  
for more information



## What is a charitable gift annuity?

With a charitable gift annuity (CGA), you transfer cash or securities to the Community Foundation for Greater Atlanta. In exchange, the Community Foundation agrees by contract to pay you or the annuitant you name a guaranteed annuity amount for life. Your charitable deduction is calculated by taking the value of the transferred property, less the value of the annuity. At the death of the last annuity recipient, the remaining assets will be transferred to the Community Foundation.

## Benefits of a charitable gift annuity

- A guaranteed fixed income stream
- A charitable income tax deduction
- Reduced capital gains spread out over the annuitant’s life expectancy, if your gift is made with appreciated securities
- Reduced estate tax liability
- A portion of each payment is free of income tax

## Minimum contribution

- The minimum gift to establish a charitable gift annuity is \$25,000
- The minimum age for a charitable gift annuity beneficiary is 75
- At least 50% of remainder must go to the Community Foundation for Greater Atlanta unrestricted operating fund

AGE	RATE %	ANNUITY
75	5.8	\$5,800
80	6.8	\$6,800
85	7.8	\$7,800
90+	9.0	\$9,000

(continued)



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## How a Charitable Gift Annuity Works



1

You transfer cash, securities, or other property to the Community Foundation for Greater Atlanta.

2

You receive an income tax deduction and may save capital gains tax. The Foundation pays a fixed amount each year to you or to anyone you name for life. Typically, a portion of these payments is tax-free.

3

When the gift annuity ends, its remaining principal passes to the Community Foundation for Greater Atlanta.

### What is a deferred gift annuity?

With a deferred gift annuity (DGA), you transfer cash or securities to the Community Foundation and enter into a charitable gift annuity contract that provides for future rather than current income payments. These payments must be deferred for at least one year and paid when the annuitant is at least 75 years old. The annuitant must be at least 70 years old when the annuity is established. The more time that elapses before payment begins, the greater the payment and income tax deduction. A deferred gift annuity offers the same benefits as a regular charitable gift annuity.

If you would like to supplement the payments you receive from your qualified retirement plan and social security, consider a deferred gift annuity.

### How is a deferred gift annuity different from an employer-sponsored retirement plan?

Unlike an employer-sponsored retirement plan, a DGA enables you to:

- Contribute as much as you want without limitation
- Contribute appreciated stock as well as cash
- Decide in which year to make a contribution
- Start receiving payments as late as you wish

### About us

Since 1951, the Community Foundation for Greater Atlanta has been a trusted philanthropic resource for our 23-county metro Atlanta region. We do this through our mission of providing quality services to donors and innovative leadership on community issues.

### Interested in a charitable or deferred gift annuity?

For more information, contact Christy Butler Eckoff, J.D., LL.M., managing director, philanthropic counsel at 404.588.3183 or [ceckoff@cfgreateratlanta.org](mailto:ceckoff@cfgreateratlanta.org).