

## Charitable Gift Annuity

Some of the best ways to support Wesleyan University are through life-income gifts. This type of gift helps you make a substantial offering to Wesleyan University while increasing your income. A life-income gift provides you with income for life or a specified period of years and leaves the principal to the School later.

There are many options for a gift that pays you income. A popular option, and one that does not require an attorney, is a Charitable Gift Annuity (CGA). A CGA is a simple contract between you and Wesleyan University. You can convert appreciated stock that isn't paying a dividend – or another underperforming asset like a savings account, money market fund or CD bearing little or no interest – into a CGA. You'll receive payments for life and an immediate tax deduction for a portion of your gift.

There's a CGA option for everyone. If you're still working, you can fund an annuity today and schedule to receive payments when you plan to retire. If you're nearing retirement or already retired, you have the option of deferring your payments a bit longer or receiving them right away.

### **Immediate Gift Annuity**

You can make your gift, take a deduction, and begin receiving annuity payments right away; usually offered for donors who are age 60 or older.

### **Deferred Gift Annuity**

Usually advantageous for younger donors, you can take an immediate deduction and defer payments for retirement.

### **Flexible Gift Annuity**

This is like a deferred gift annuity, with a donor-directed option to delay the payments. The longer you defer payments, the higher the effective rate you will receive.

### **IRA > CGA Option**

CAA 2023 allows for a one-time distribution to create a life income gift, most commonly a charitable gift annuity (CGA), and charitable remainder unitrusts (CRT) or annuity trusts. This new type of QCD is a one-time maximum transfer of \$55,000 to a qualified CRT, or in exchange with a charity for a CGA. *\*Important terms and conditions apply. Please contact our office or your financial advisor.*

This type of gift will reduce the value of your IRA, therefore reducing your future RCTs (as they will be based on the lower value). Also, a CGA provides a constant guaranteed lifetime stream of revenue. Using a distribution from your IRA to create an annuity is a savvy way to diversify your holdings and lock in a great return.

*As always, we recommend that you consult a qualified advisor before making a new gift commitment.*

**To see what a CGA would look like for you, contact us for a personalized illustration.**