



UNIVERSITY OF WYOMING  
FOUNDATION

## CHARITABLE GIFT ANNUITY

A Gift That Carries With It A Guaranteed Income Stream  
For Life As Well As A Charitable Deduction

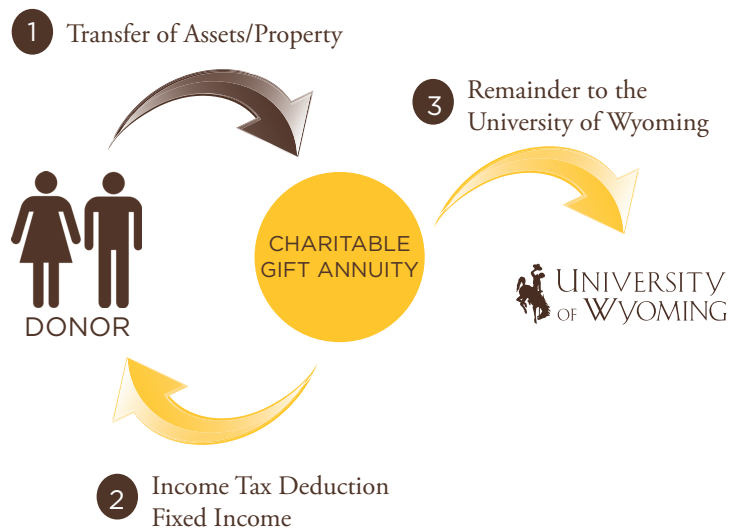
### WHAT IS A CHARITABLE GIFT ANNUITY?

A Charitable Gift Annuity (CGA) is a combination of a charitable gift and an annuity that provides an income stream for life. Or said another way, a gift that pays you back. A CGA allows you to make a meaningful gift to benefit the college or program of your choice at the University of Wyoming and benefit in the following ways:

- Guaranteed fixed income for life
- Tax savings- immediate charitable deduction at the time of gift and annual savings in the future
- Favorable treatment of capital gains when CGA is funded with appreciated assets.
- Making a positive impact at UW- potentially into perpetuity

### HOW DOES A CGA WORK?

A CGA is a gift arrangement wherein a donor makes a gift (cash, securities, real estate, etc) to the UW Foundation in exchange for a guaranteed fixed income stream for life for up to up to two individuals- a spouse, parent, etc.



## HOW MUCH IS THE ANNUAL PAYOUT?

Payout rates are set according to a donor's age at the time the annuity is created and whether the annuity is for one lifetime or two. Here are the payout rates that are available:

*Single-Life Gift  
Annuity Rates*

Age	Rate*
60	3.9%
65	4.2%
70	4.7%
75	5.4%
80	6.5%
85	7.6%
90+	8.6%

*Two-Life Gift  
Annuity Rates*

Age	Rate*
60	3.7%
65	3.8%
70	4.2%
75	4.6%
80	5.4%
85	6.5%
90	8.2%

A donor also has the option to create what is known as a deferred charitable gift annuity. The essence is the same with a gift in exchange for fixed payments for life; however, with a deferred charitable gift annuity, UW would defer the payments for a period of time, not less than a year, set by the donor. This allows for a higher payout percentage. For example, a 75 year old donor would receive a gift annuity rate of 5.8%. However, if they chose rather to make their gift and defer payments for 2 years, the annuity payout rate increases to 7%.

## WHAT ARE THE TAX BENEFITS?

A charitable deduction is available in the year that a person creates a CGA. The deduction is calculated based on a donor's age at the time of the gift considering the income stream that will be paid out over the donor's lifetime. Any amount of the charitable deduction not usable in the year the gift is made can be carried over for the next five tax years. Additionally, a portion of each annuity payment is tax free as return of the initial investment. After a specified term of years based on the donor's age, the entire payment is taxable as ordinary income.

## WHAT KIND OF ASSETS CAN I USE?

Although cash is king, a donor can use a variety of assets including real estate and appreciated securities to create a CGA. Only a portion of the capital gains associated with appreciated assets are recognized by the donor proportionally over a period of years.

**Please note that the information in this flyer is not intended as investment, tax, or legal advice. Please contact your trusted tax, financial, or legal advisor for such advice before making a gift.**



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