



Charitable Gift Annuities

Gifts That Provide Fixed Income



What Is a Charitable Gift Annuity?

A charitable gift annuity (CGA) is a contract between you and Lucile Packard Children's Hospital Stanford.

In exchange for your gift, the hospital agrees to pay one or two persons a fixed sum every year, for life. The sum is based on a set annuity rate.



The amount remaining when the CGA terminates will be used to support Lucile Packard Children's Hospital Stanford.

What Are the Rates?

Lucile Packard Children's Hospital Stanford uses annuity rates established by the American Council on Gift Annuities. The annuity rate is determined by the ages of the persons receiving the payments at the time of the gift.

CGA Rates – One Recipient

Recipient Age	65	70	75	80	85	90+
Annuity Rate	4.7%	5.1%	5.8%	6.8%	7.8%	9.0%

CGA Rates – Two Recipients

Recipient Ages	65/70	70/75	75/80	80/85	85/90	90/95+
Annuity Rate	4.4%	4.8%	5.3%	6.1%	7.3%	8.8%

Are There Any Restrictions?

You, or the recipient(s), must be at least 65 years old and there can be no more than two recipients per gift annuity. The minimum contribution to create a CGA is \$20,000. There is no maximum age or gift amount.

What Assets Can I Use to Create a CGA?

Cash or appreciated securities are popular assets to fund this type of gift. Appreciated securities are beneficial because you can bypass a portion of the capital gains tax. The remaining capital gains tax liability is prorated over your life expectancy or the life expectancy of the recipient(s).

Can I Wait to Receive Income Since I Plan on Retiring in 10 Years?

Deferred charitable gift annuities allow you to receive immediate tax benefits from donating cash or appreciated assets, and receive a set dollar amount for the rest of your life starting at a date of your choice. The longer you defer your start date, the higher the payout amount. The minimum age for a deferred CGA is age 55.

Example

Renee wishes to diversify her portfolio and give back to the community. She originally bought some stock years ago for \$20,000. She is tired of the fluctuations in the stock market and decides to use the stock (now worth \$80,000) to establish a CGA and designates the remainder to benefit Lucile Packard Children's Hospital Stanford.

Renee is 76 years old so our hospital will pay her 6.0% of \$80,000, or \$4,800, annually for the rest of her life. She receives an immediate charitable deduction of \$37,711.20. Additionally, rather than reporting \$60,000 in capital gain this year, Renee can report \$31,716.60 in capital gain over the next 11 years.



Actual calculation results vary for each donor. Please contact our office for a confidential, obligation-free calculation for your specific situation.



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