



LANCASTER COUNTY
COMMUNITY
FOUNDATION

WHAT IS A CHARITABLE GIFT ANNUITY (CGA)?

A Charitable Gift Annuity at the Community Foundation lets you support the causes you care about and receive guaranteed income for life. A CGA is a contract between you and the Community Foundation that pays you an annual source of income. When the contract ends, the charitable gift annuity establishes a permanent fund at the Foundation to benefit the causes or organizations you have chosen.

WHY CHOOSE A CGA?

A CGA is less complex than a trust and much easier to establish. It is a win-win scenario. It's a great way to support yourself, your loved ones, and your favorite charities at the same time.

ARE THE PAYMENTS GUARANTEED?

Yes, the payments are backed by the integrity and assets of the Community Foundation.

IS THERE A MINIMUM AMOUNT REQUIRED TO ENTER INTO A CGA CONTRACT?

Yes, \$10,000. Donors must be a Pennsylvania resident at the time of the CGA contract execution.

HOW ARE THE PAYMENTS CALCULATED?

The payments are based on the amount of the gift to the Community Foundation, the age of the annuitant(s) and the current gift annuity rate published by the American Council on Gift Annuities. Gift annuity rates generally range from about 4.4 - 9 percent for one person over 60 years of age. Basically, the older the annuitant, the higher the rate.

IS THERE A MINIMUM AGE REQUIRED?

The Community Foundation requires that the annuitant(s) be at least 60 years of age.

WHAT IS A 'RESIDUUM?'

The 'residuum' is the amount of money remaining that can be directed to a charitable cause after the charitable gift annuity stops paying an individual.

WHAT ARE THE TAX BENEFITS?

There are many different ways to structure the annuity contract that each result in specific unique tax benefits. In most cases, the donor receives an immediate tax deduction for the estimated "residuum." There may be portions of the annuity that are tax free or that will be taxed at a capital gains rate. We can quickly prepare detailed explanations of potential tax benefits for interested donors to review with their tax and/or legal advisors.

CAN A CGA BE USED TO ESTABLISH A FUND AT LCCF?

Yes. In addition to the option of having the residuum directed to an existing fund at the Community Foundation, you may direct the residuum to establish a new "endowed" fund at the Community Foundation to support causes you care about. The residuum from a CGA cannot be sent directly to a charity outside the Foundation.

HOW LONG DOES IT TAKE TO ENTER INTO A CGA CONTRACT?

Donors can execute our simple CGA contract in a single meeting. This may be accomplished at the donor's convenience. We are happy to discuss charitable giving options and provide printed scenarios that will estimate the tax benefits to you. However, the Foundation does not offer any legal, tax, or financial advice. Please consult your lawyer or professional advisor.



*The Community Foundation **does not** give professional tax or legal advice; please consult a tax advisor and/or attorney about your specific situation.*