



TOGETHER FOR SOU

CHARITABLE GIFT ANNUITY

Here's a win-win situation: You can make a gift to receive steady, reliable income during your life time and support a program at Southern Oregon University that is important to you. Now might be the time to establish a Charitable Gift Annuity that will give you tax advantages, regardless of how investment markets and the economy are faring. It's one of the smart ways to make a charitable gift!

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WHAT IS A CGA?

A CGA is a simple contract and process between you and the SOU Foundation. With your gift of cash, appreciated securities, or a distribution from your IRA based on special rules described below, the Foundation pays you and/or a person you name a fixed income during your lifetime(s). The payment rate is determined by the recipient's age, based on the recommendation by the American Council of Gift Annuities. When the recipient of the annuities passes away, the remaining funds are used to support a program of your choosing at SOU. The minimum amount to establish an annuity is \$10,000 and the recipient can start receiving their income at 65 years or older.

With a gift of cash or appreciated securities, you can establish:

- A Current Annuity: Payments to the annuitants begin immediately after the gift is made.
- A Deferred Annuity: Payments to the annuitants are deferred for a year or more in exchange for larger future payments.

You may qualify to use an IRA Qualified Charitable Distribution (QCD) to fund an annuity:

- You must be 70½ years or older, and annuitants are limited to you and/or your spouse.
- You can contribute a *one-time* election up to \$55,000, and spouses can each contribute \$55,000.
- Your contribution counts toward your IRA's Required Minimum Distribution (RMD).
- Distributions are not eligible for a charitable tax deduction; payments are received as ordinary income.

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WHY IS A CGA IS A SMART WAY TO GIVE?

- Your annuity rate is locked in—annuitants receive fixed income payments for life, regardless of investment market or economy, backed by the assets of the SOU Foundation.
- You qualify for an immediate charitable tax deduction, and you may take unused deductions for a period of five years.*
- A portion of your income payments is tax-free.*
- If you fund the annuity with appreciated securities, you may reduce capital gains tax.
- With a deferred annuity, you get to decide when to start receiving payments in the future, which will be at a higher payment rate—a great advantage for retirement planning.
- By using IRA funds through a QCD, you can avoid immediate taxation on your IRA withdrawal and make a gift that pays you income for life.

**does not apply if your CGA is funded by IRA funds*

TAKE ACTION!

The current rates are the highest in the past 17 years! The American Council of Gift Annuities will recommend changes to the payment rates periodically.

- Contact the SOU Foundation’s Office of Development, to receive a personalized illustration and information, including the amount of charitable deduction, schedule of payments, and tax character.
- *Example: A 72-year-old who makes a gift of \$25,000 to establish a gift annuity will receive an annual income of \$1,650 during their lifetime, a rate of 6.6%.*
- Once you are ready to set up your CGA, SOU’s team of development professionals will facilitate establishing a plan to support a cause at SOU that matters to you, while ensuring a steady stream of income for life.

Current Annual Payment Rates

AGE	ONE PERSON
65	5.7%
70	6.3%
75	7.0%
80	8.1%
85	9.1%
90+	10.1%

Communication with SOU development staff is always confidential and never infers an obligation.

Contact your professional advisor for advice on whether a Qualified Charitable Distribution gift plan is right for you.



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