



# Create a Charitable Gift Annuity

A charitable gift annuity (CGA) allows you to leverage your generosity while producing tax savings and a fixed annuity that can provide great benefits to you, your family and the community.

A CGA is a contract in which a donor makes a gift today in return for a fixed lifetime annuity from the Hawai'i Community Foundation (HCF). The donor receives a tax deduction on the net value of the gift. The annuity is payable to the donor or someone they designate, called the "annuitant." Up to two annuitants can be named. Through the contract, the donor directs the remaining balance (called the "residuum") left at the death of the annuitant(s) to establish a new or supplement an existing fund at HCF.

## How does it work?

### 1 SET UP YOUR FUND



Fill out a CGA application. We will work with you and your professional advisor to determine the best way to design your CGA based on your personal situation and charitable interests.

### 2 RECEIVE ANNUITY PAYMENTS



Once you enter into a CGA, it will provide a lifetime fixed annuity payout for up to two annuitants.

### 3 LEAVE A LEGACY



At the end of the CGA term (e.g., the death of the annuitant(s)), the residuum can be used for broad charitable purposes or to support or start a scholarship or field of interest fund at HCF. You decide.

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# Create a Charitable Gift Annuity *Continued*

## When should I consider a CGA?

Consider a CGA if some of these apply to you:

- You are age 60 or older.
- You wish to provide a legacy gift to the community.
- You want the security of a fixed payout arrangement that runs for life.
- You have assets of \$20,000 or greater that you are able to gift to establish a CGA, such as cash, funds earning low interest rates, or appreciated securities.
- You seek a charitable tax deduction.

## What are the benefits of a CGA?

- + CGAs are easy to create — the agreement is a simple contract between you and HCF.
- + The annuitant receives fixed annuity payments for life.
- + Part of the annuity payments may be tax-free.
- + An immediate charitable tax deduction for a portion of the gift.
- + No capital gains tax is owed on appreciated property used to start a CGA.
- + The gift ultimately benefits charitable organizations or causes.



**JANE KEALOHA GIVES \$200,000 AND RECEIVES ANNUITY PAYOUTS.**

Jane Kealoha, age 72, designates herself as the annuitant. Jane makes a cash gift of \$200,000 to the Hawai'i Community Foundation in exchange for a CGA. She will receive fixed annual payments of \$10,800 from HCF for the rest of her life. Ms. Kealoha is entitled to an immediate charitable deduction of approximately \$83,000.



**JANE SAVES UP TO \$29,050 IN FEDERAL TAXES.**

Assuming she is in the 35% federal income tax bracket, Ms. Kealoha could save as much as \$29,050 in federal income taxes. Of the \$10,800 she receives each year, \$2,733 is taxed as ordinary income and \$8,067 is tax-free for the first 14 years.



**JANE MAKES A DIFFERENCE LONG AFTER SHE IS GONE.**

Ms. Kealoha has requested that at the end of her life, the remaining balance of her CGA fund (projected to be 50% of the original contribution) will be used to establish a field of interest fund to benefit disadvantaged youth who reside on the leeward side of O'ahu.

Donors can be assured that their gift is backed by the financial strength of one of the largest and oldest community foundations in the nation.



**HAWAI'I COMMUNITY FOUNDATION**

*Amplify the Power of Giving*

For more information about creating a CGA at the Hawai'i Community Foundation, contact Curtis Saiki, Vice President of Philanthropy, at 808-566-5572 or [csaiki@hcf-hawaii.org](mailto:csaiki@hcf-hawaii.org).

[HawaiiCommunityFoundation.org](http://HawaiiCommunityFoundation.org)