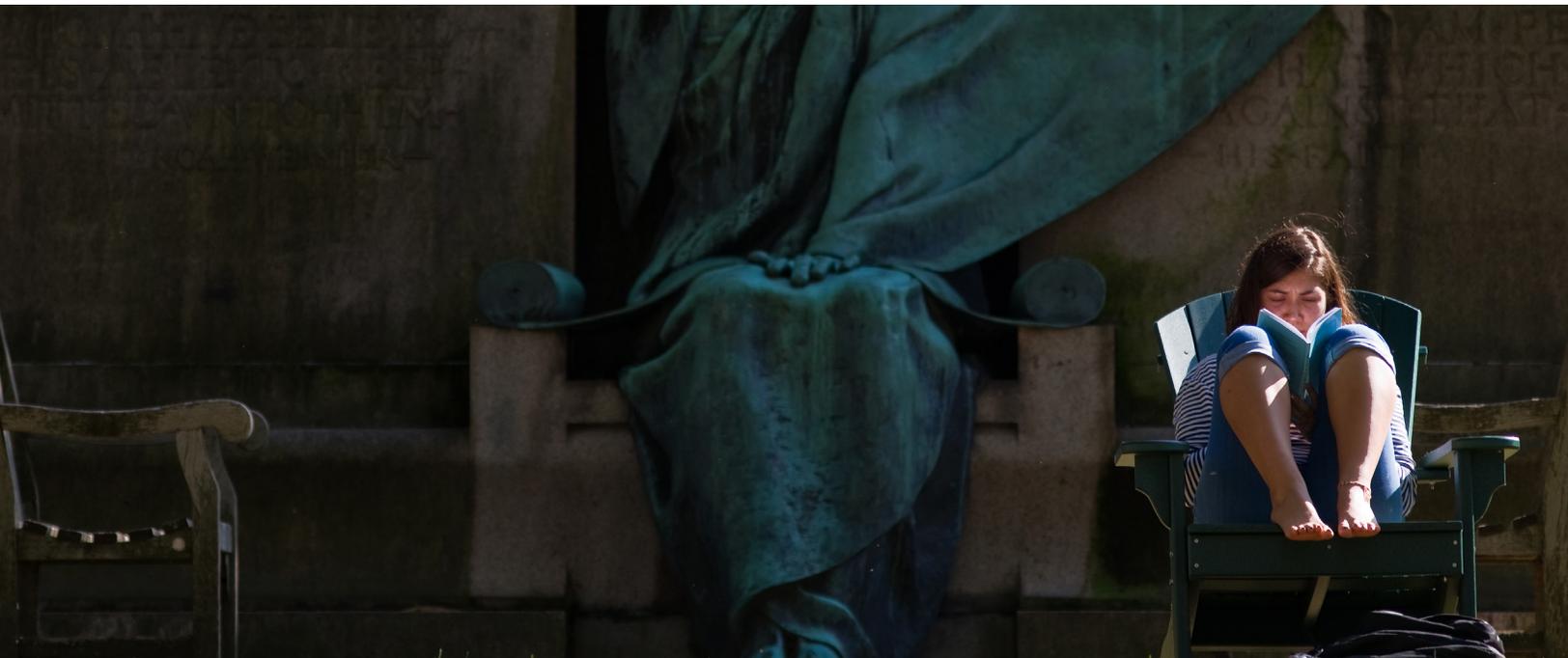


# Deferred Charitable Gift Annuity



## A Gift that Gives Back When You Need It

The deferred charitable gift annuity is an ideal choice for younger donors or those who have not yet retired, providing a tax deduction now and tax-favored retirement income later. Such a deferred investment can supplement other tax-sheltered investment plans, such as IRAs, 401(k)s, 403(b)s, or Keogh plans. And if you donate appreciated securities instead of cash, you may be able to reduce your capital gains tax liability as well.

A deferred charitable gift annuity is a contract between you and Amherst College that provides advantages for both. You can make a gift and receive immediate financial benefits. By funding a deferred charitable gift annuity you will provide valuable support to Amherst College and receive a charitable income tax deduction and fixed payments for your lifetime or the lifetime of a loved one.

## Summary of Financial Benefits:

- You have sufficient income now but want to supplement your income later, for example, when you retire
- By deferring the start of payments, you will receive a higher annuity rate
- Guaranteed fixed payments for life
- A portion of your payments may be nontaxable
- Charitable income tax deduction for a portion of the gift
- Reduced capital gains taxes

## Sample Annuity Rates\*

Age at Gift	Years Deferred	Payment Rate	Payment
60	10	7.0%	\$700
65	8	7.0%	\$700
70	6	7.2%	\$720
75	5	7.9%	\$790

\* Based on rates recommended by the American Council on Gift Annuities (subject to change).

## EXAMPLE:

Beth, age 76, contributes \$10,000 cash and receives a lifetime annuity of \$820 (Annual payments start in 2021), of which \$470 is tax-free. She receives an income tax deduction of \$5,867 in the year she makes the gift.



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**“The charitable gift annuity allows me to shape the ultimate purpose of my gift in a way that I find satisfying, while creating income for my future.”**

— Michael McGoldrick '59

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## Benefits Include:

- Guaranteed fixed payments for life. The annuitants you name will receive fixed annual payments for life, backed by the full assets of Amherst College. With attractive annuity rates, your cash flow may increase from what you currently receive from your asset.
- Income tax deduction. You will receive an income tax deduction in the year of your gift to be used for immediate tax savings. This is usually 20%-40% of your gift amount.
- Favorable capital gains tax treatment. If you fund the annuity with a long term appreciated securities (ones you have held for more than one year), you will incur tax on only part of the gain. If you name yourself as an annuitant, this tax will be spread out over many years. In other words, some of the capital gain is forgiven completely and the other portion is spread out over your life expectancy.
- Reduced estate costs. Your estate may enjoy reduced probate costs and estate taxes.
- You will have the satisfaction of knowing you are providing generous support to future generations of students.

## NEXT STEPS:

To receive further information and assistance on deferred charitable gift annuities, or to learn more about how your gift can help Amherst College, please contact Julie R. Lackner, JD.

- call **(413) 542-5193**
- email **[jlackner@amherst.edu](mailto:jlackner@amherst.edu)**

\* Because everyone's situation is different, we encourage you to seek professional legal, estate planning, and financial advice before deciding on a course of action. This information does not constitute legal or financial advice and should not be relied upon as a substitute for professional advice.

Please note: All life income gifts to Amherst must have a 25% remainder gift to the College per our gift acceptance policy.

**AMHERST COLLEGE**

By supporting Amherst College with your gifts, you are helping us educate men and women so that they may seek, value, and advance knowledge, engage the world around them, and lead principled lives of consequence.

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