

## A Gift That Benefits You, and Makes a Difference

For donors interested in receiving a charitable deduction on their taxes in the current year while still receiving income from those assets, a charitable gift annuity (CGA) offers the opportunity to achieve both goals. CGAs allow you to make a current tax-deductible gift to benefit a nonprofit organization, while still receiving annual income for the rest of your life.

### How a Charitable Gift Annuity Works

As part of your planned giving strategy, a CGA provides the opportunity to make a tax-deductible gift while receiving annual income from that gift for the rest of your life. When you establish a CGA, you receive a deduction for the portion of your gift that is expected to go to a nonprofit following your death (or the death of the second person for annuities established to cover the lives of two people). After your death, the remainder of the CGA either creates an endowment for the designated charity, or is added to that organization's existing endowment at Madison Community Foundation (MCF).

### Choose What Works for Your Situation

A CGA offers many options that allow you to create a plan that works best for your personal goals and situation:

- Establish your CGA with a gift using a variety of assets, including cash and stock. The minimum gift required to establish a CGA is \$10,000 when added to an existing endowment at MCF, or \$30,000 to create a new endowment.
- Decide whether the annuity will be just for your lifetime, or add a second person.
- Begin receiving annuity payments immediately, or defer them to a later date.
- Select whether to receive payments quarterly or annually via direct deposit to your account.

### Feel Confident in the Stewardship of Your Gift

Since 1942, MCF has been connecting generous donors with opportunities to make a positive difference for the causes they care about. MCF's assets reflect the gifts of thousands of donors over more than 80 years. We invest those gifts and use fund distributions to enhance the quality of life in our community for current and future generations.

### Benefits of a Charitable Gift Annuity

CGAs provide:

- A charitable income tax deduction
- A fixed annual income, paid out either quarterly or annually for the rest of your life
- A permanent stream of income for your chosen nonprofit after your death

## A Step-by-Step Guide to Creating Your CGA

Creating a CGA is a relatively simple process.

- 1. Provide MCF with some basic information.** We will need your full name, birth date, the amount of your gift, the organization it is to benefit, and the type of asset you're funding the gift with (i.e., cash, stock, etc.). If you're planning to take your annuity over two lives, we'll also need the full name and birth date of the second person.
- 3. Review the projection packet MCF will provide.** After we receive your information, we will create a projection packet for you that will include your annuity payment amounts and estimated tax savings.
- 4. Meet with MCF to review the packet.** We can answer any questions you have.
- 5. Sign the paperwork.** The final step is to sign the paperwork, arrange your annuity payments and make the gift to MCF.

### Want to Learn More?

To learn more about establishing a CGA, or to start the process, contact Carmen Jeschke, Vice President of Finance & Operations at 608-232-1763 or by email at [cjeschke@madisongives.org](mailto:cjeschke@madisongives.org).

### Current CGA Rates

#### One Life

Age	Rate*
60**	5.2%
65	5.7%
70	6.3%
75	7.0%
80	8.1%
85	9.1%
90 & over	10.1%

#### Two Lives

Ages	Rate
60**/65	4.8%
65/70	5.2%
70/75	5.8%
75/80	6.5%
80/85	7.3%
85/90	8.7%
90/95	9.9%

\* MCF follows rates established by the American Council on Gift Annuities. The current rates became effective January 1, 2024.

\*\* Minimum age for establishing a CGA with MCF.