

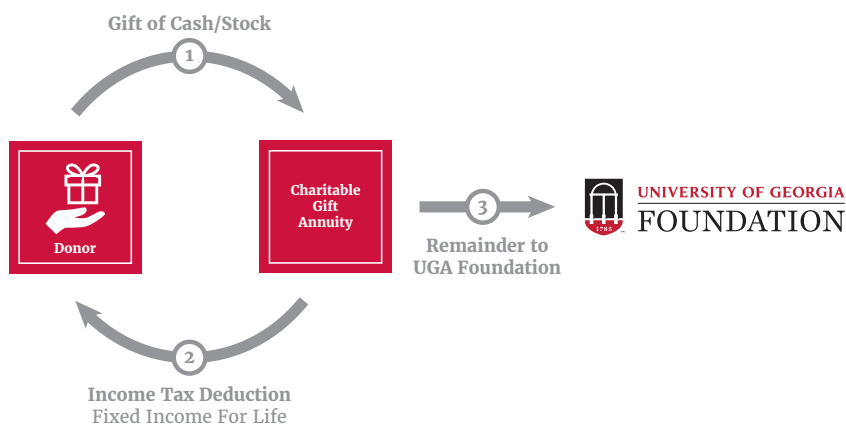
CHARITABLE GIFT ANNUITY

A Charitable Gift Annuity (“CGA”) allows you to accomplish your philanthropic goals at the university while providing secure income to you and your loved ones.



How does this work?

You make a gift of cash or appreciated stock to the University of Georgia Foundation (“Foundation”). In exchange, the Foundation agrees by contract to pay a fixed amount each year to one or two individuals (the annuitants) for life. After all annuitants have passed, the remainder is used in accordance with your designated gift intentions. See current individual and two life rates on adjacent chart.



Potential Benefits:

- Receive fixed income for life backed by the Foundation’s assets
- Receive an income tax deduction in the year you establish the annuity
- A portion of the annuity payment is typically tax free
- Capital gain liability may be reduced or partially eliminated
- Creating a CGA qualifies you for membership to the Heritage Society

Gift Acceptance Requirements:

To be eligible for a CGA:

- Annuitants must be age 60 or older when payments initiate
- CGA must be funded with cash or appreciated stock – real estate will not be accepted
- Minimum contributions may vary by state

Rates Based on One Life

DONOR MAKES GIFT AT AGE:	...AND PAYMENT BEGINS IMMEDIATELY AT THIS RATE:	...OR DEFER PAYMENT FOR 5 YEARS AT THIS RATE:
60	3.9%	4.8%
65	4.2%	5.4%
70	4.7%	6.2%
75	5.4%	7.5%
80	6.5%	8.7%
85	7.6%	9.9%
90+	8.6%	9.9%

Rates Based on Two Lives

DONORS MAKE GIFT AT AGES:	...AND PAYMENT BEGINS IMMEDIATELY AT THIS RATE:	...OR DEFER PAYMENT FOR 5 YEARS AT THIS RATE:
60/60	3.6%	4.4%
65/65	3.8%	4.8%
70/70	4.2%	5.3%
75/75	4.6%	6.2%
80/80	5.4%	7.5%
85/85	6.5%	9.4%

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Frequently Asked Questions:

- 1. What rates are being offered?** The Foundation currently offers gift annuity rates recommended by the American Council on Gift Annuities. Rates may go up or down but your rate will not change.
- 2. When will payments initiate?** Payments can begin immediately or can be deferred until a later date. If donor wishes to establish a CGA before the annuitant meets the minimum age requirement (60), annuity payments can be deferred until the age requirement is met. Deferral may also be a good option where donor meets age requirements but wants to delay payment to supplement income in later years. Deferral will entitle donor to a higher rate and larger charitable deduction.
- 3. How frequently will the Foundation make payments to the annuitant?** Payments are distributed quarterly in March, June, September and December. Hard copy checks can be mailed or the payment can be directly deposited into the annuitant's preferred account.
- 4. How will the remainder of the CGA be used once received by the Foundation?** The remainder will be used in accordance with donor's intentions as designated on the Statement of Future Gifts.
- 5. Can CGA residual funds be used to create a new endowment?** Yes, in such cases a Planned Gift Agreement is required and it is recommended that the donor fund the CGA at two times the endowment minimum. For example, if the endowment minimum for a professorship is \$250,000, the CGA should be funded with \$500,000.

Next Steps:

- 1.** Call the Office of Gift and Estate Planning to discuss and receive a sample illustration reflecting your annual payment and potential charitable tax deduction.
- 2.** When you are ready to fund a Charitable Gift Annuity, contact the Office of Gift and Estate Planning to request a "CGA Packet" which will contain all documentation to complete your gift.

The regulation of gift annuities varies from state to state. For this reason, Charitable Gift Annuities may not be available in all states.

Your payment will continue for life, therefore your gift cannot be revoked.

The Foundation's full policy can be found on our website: www.ugafoundation.org.



This document is not intended as legal or tax advice. Please seek the advice of competent counsel to determine applicability of the information to your own personal circumstances.

California residents: Annuities are subject to regulation by the State of California. Payments under this agreement, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association.
Oklahoma residents: A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department.
South Dakota residents: Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.

Office of Gift and Estate Planning

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