



Charitable Gift Annuity FAQs

What is a charitable gift annuity? How does a gift annuity work?

A gift annuity is a planned gift that is made through an agreement with the donor(s), and the charity, in this case, Saint Francis Foundation.

- A gift annuity provides an income stream to the donor(s) for life.
- After death, the remainder is contributed to Saint Francis Foundation.
- The gift annuity is tax deductible (see notes below).

Who can receive payments from the annuity?

Payments are made to one or two annuitants who are at least 60 years old. Most often, donors name themselves as annuitants, but an annuity can also be established to benefit others, such as a parent, family member, or friend.

What will the amount of my payments be?

Payments are calculated based on the age(s) of the annuitant(s) at the time the annuity is established.

What is the minimum gift amount to establish a charitable gift annuity?

The minimum is \$25,000.

Are there fees with the Saint Francis Foundation gift annuity?

No; there are no fees to establish or maintain the gift annuity at Saint Francis Foundation.

What are the tax benefits of my gift annuity? Is my gift tax-deductible?

Yes, your gift is tax-deductible. In the year you establish the gift, you may receive a charitable deduction for the portion that is expected to remain for charity after your lifetime. Furthermore, a percentage of the annuity payments may be considered as representing a return on the principal contributed, and therefore, tax-free. Please consult with your tax advisor to confirm your specific tax benefits associated with a charitable tax annuity.

Please see a life expectancy table [here](#).

What if I have securities to gift?

If you contribute highly appreciated securities that you have held for more than 12 months, you are eligible for additional tax savings. You may reduce the tax on the capital gain attributable to the charitable gift portion of the contribution. If you are an annuitant, the gain attributable to the annuity payments does not need to be recognized in the year the gift is made but can be reported ratably over life expectancy.

What are the payment rates?

Charitable gift annuity rates are based on the age(s) of the payment beneficiaries at the time the annuity is established. The rates are recommended by the American Council on Charitable Gift Annuities.

Please see this link for information on rates: <https://www.acgaweb.org/current-gift-annuity-rates#TwoLives>

Rates are subject to change. These rates are effective as of July 1, 2020, approved by the Council on April 26, 2021.

How do I calculate the potential income and tax benefits I might receive from establishing a charitable gift annuity?

Please consult with your tax advisor to confirm your specific tax benefits associated with a charitable tax annuity.

What if I am under 60 years of age? What is a deferred gift annuity?

A deferred gift annuity defers the annuity payments to a future date and can be established for individuals under 60, as young as 45. Payments must be deferred until the annuitant(s) reaches age 60.

What if I don't need additional income now? Is a charitable gift annuity wrong for me?

You may want to consider a deferred gift annuity, with payments that begin in a future year. A charitable deduction may be received the year the gift is made, which may help offset current, high income.

Otherwise, you may want to consider another planned giving type; please contact us to discuss your options.

Are there advantages for establishing a deferred gift annuity?

Yes, given the payments are deferred until age 60, the eventual payment rate will increase.

Whom do I call to establish my gift annuity or for further questions?

Please call the Foundation at 415-470-0330 or email sff@saintfrancisfoundation.org for additional information.