WHAT IS A CHARITABLE GIFT ANNuity?

A charitable gift annuity, or CGA, is a simple contract between you and Villanova that offers a way to provide income to you or a loved one while also offering some tax advantages now. Villanova promises to pay a fixed amount each year to you and/or a beneficiary of your choosing in exchange for your gift of cash, securities or other property.

The payout rate is set by the American Council on Gift Annuities, and factors such as the number and age of the recipients determines the rate. It is important to note that once these rates are determined, the payout rates are not subject to market conditions and will never fluctuate.

BENEFITS

- Guaranteed income, regardless of market conditions
- Income tax charitable deduction
- Deferred capital gains tax on gifts of appreciated securities
- Savings on gift and estate taxes
- Satisfaction of knowing your gift will help generations of future Villanovans
- Membership in Villanova’s 1842 Heritage Society

The 1842 Heritage Society honors individuals who pledge to support the University through estate gifts and life-income gifts. Members enjoy special recognition events and communications from the University President.

GUIDELINES FOR CHARITABLE GIFT ANNUITIES

- Minimum amount to fund a gift annuity with Villanova is $10,000
- You can fund as many separate gift annuities as you would like
- The minimum age to fund a deferred or flexible gift annuity is 40
- An annuity can be funded with cash, securities or other property
- You determine the annuitant or annuitants who receive the payments
- Payments can be received starting at age 65 or older

The return on the annuity is better than the rates with money market funds. And as a bonus, it’s a gift to the school. It’s a good investment strategy.

- Joseph D. Freney’64 VSB, Member, 1842 Heritage Society

The charitable gift annuity provides several benefits, including a tax deductible charitable contribution; reduction of capital gains taxes (as we used appreciated stock to fund the gift); an income stream for life, part of which is tax-free; and estate tax benefits. Our hope is that this gift will continue the legacy of Villanova and assist the College of Engineering as it strives to achieve its mission.

- Nicholas ’65 COE and Roselynn Calio, Members, 1842 Heritage Society

† Deceased
TWO OTHER TYPES OF CHARITABLE GIFT ANNUITIES

There are two other types of charitable gift annuities that may meet your needs more effectively. There is the Deferred Gift Annuity and the Flexible Gift Annuity.

• The Deferred Gift Annuity allows you to set a predetermined age at which you would like to begin receiving your payments.
• The Flexible Gift Annuity works much in the same way as the Deferred Gift Annuity with the added benefit of setting a range of dates in the future in which you and/or your named income beneficiaries can begin to receive income payments. The longer the deferral period, the greater the amount of fixed income Villanova can agree to pay.

In the case of either a Deferred or Flexible Gift Annuity, because you are making a gift now, you will have a higher rate of return and be able to take a larger income tax charitable deduction immediately. These can be a wonderful retirement planning tool, especially if you are young. Villanova sets the minimum age to fund a deferred or flexible gift annuity at 40 years old.

Whether you are starting a regular charitable gift annuity, a deferred gift annuity or a flexible gift annuity, you have the satisfaction of knowing that Villanova will receive the balance remaining in the annuity after the lifetime of the income beneficiaries. This amount will then be used by the University in a manner that you can specifically designate.

A DEFERRED OR FLEXIBLE GIFT ANNUITY MIGHT BE RIGHT FOR YOU IF:

• You are in high earnings years, looking for both income tax savings now and an additional source of guaranteed income in the future
• You want to set up an additional stream of retirement income for your spouse, who may not have a defined company pension or retirement account
• You want to maximize the payments you receive from your planned gift—and you want to lower your income tax on those payments
• You want the security of payments that won’t fluctuate during your lifetime

SAMPLE CHARITABLE GIFT ANNUITY RATES

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<thead>
<tr>
<th>SAMPLE TWO-LIFE CHARITABLE GIFT ANNUITY</th>
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Illustration assumes funding at $10,000 charitable gift annuity with cash and income beginning at age 65. Villanova follows the rates of the American Council Gift Annuities.

COMPLIMENTARY ILLUSTRATION

The Office of Gift & Estate Planning can provide you a complimentary illustration of the income, tax, estate and philanthropic benefits you might realize by funding a charitable gift annuity.

Those considering a charitable gift annuity should consult their own legal and tax advisors. The staff of the Office of Gift & Estate Planning welcomes the opportunity to speak and work with your advisors.