

Income for Life, Legacy for Generations: Benefits of Charitable Gift Annuities

What if you could secure income for your lifetime while simultaneously creating a legacy for the causes you care about most? Charitable gift annuities (CGAs) provide a unique opportunity to do just that. By blending financial security with philanthropy, CGAs allow individuals to support their faith-based values and the mission of charitable organizations.

How Charitable Gift Annuities Work

A charitable gift annuity is a contract between you and a charitable organization. You make a one-time donation of cash, securities or other assets, and in return, the charity provides you with fixed payments for the rest of your life. After your lifetime, the remaining funds are used to support the charity's mission.

Key features include:

- **Fixed Lifetime Income:** Payments are predetermined and guaranteed for life, providing financial stability.
- **Flexible Funding Options:** CGAs can be funded through various assets, such as cash, stocks or even real estate.
- **Charitable Impact:** Upon your passing, the remainder of the gift benefits the chosen charity, leaving a legacy.

The Dual Impact: Income for You, Legacy for Others

Charitable gift annuities have gained popularity in part because of the dual benefits they provide.

Donor Benefits

1. **Financial Stability:** Receive predictable income during retirement years.
2. **Tax Advantages:** Enjoy immediate income tax deductions and favorable tax treatment on annuity payments.
3. **Peace of Mind:** Secure lifetime payments while aligning your assets with your values.

Charity Benefits

1. **Support for Mission-Driven Work:** Your gift directly supports the initiatives of a Catholic parish, school or mission of another Catholic charitable organization.
2. **Long-Term Sustainability:** CGAs often provide predictable financial support to charities, helping them plan for growth.
3. **Spiritual Legacy:** Your contribution reflects your faith and commitment to stewardship for years to come.

Practical Considerations

Before committing to a charitable gift annuity, it's essential to understand the following:

Faith, Family & FINANCES

Charitable giving strategies benefiting you, your family and the Church.

1. Eligibility: Typically, CGAs are available to donors aged 60 and above, but that is dependent on the charitable organization.
2. Payout Rates: Payments are based on your age and the size of the gift, with older donors receiving higher payout rates.
3. Reputable Charities: Work with established charities that align with your values and have experience managing CGAs.
4. Tax Planning: Consult a tax advisor to maximize the financial benefits and ensure compliance with IRS regulations.

Real-World Example

Consider Mary, a retired teacher with a passion for Catholic education. She donated \$100,000 to fund a charitable gift annuity through her local diocese. In return, she receives annual payments that supplement her retirement income. After her lifetime, the remainder of her gift will provide scholarships for underprivileged students at Catholic schools—a cause close to her heart.

A Faith-Based Perspective

Charitable gift annuities embody the Catholic principles of stewardship, generosity and care for others. By design, these vehicles provide a unique opportunity to combine financial security with impactful giving. By securing income for life and supporting charitable organizations, you create a dual legacy that benefits both you and the causes you hold dear.

As Pope Benedict XVI once said, “The world needs to rediscover that all human activity is moral in nature and must be measured against the ultimate good.” CGAs allow you to steward your resources for the ultimate good, providing for yourself and advancing the mission of Christ. Take the first step toward building your legacy by scheduling a time to talk with a member of The Orange Catholic Foundation’s philanthropy team. Reach out to us at 714.282.3021 or info@OrangeCatholicFoundation.org.

Please note The Orange Catholic Foundation does not provide tax, legal or accounting advice. This material is prepared and made available for informational purposes only.

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