



## CHARITABLE GIFT ANNUITY

A **charitable gift annuity (CGA)** is a simple contractual agreement between you and Wesleyan University. In exchange for your irrevocable gift of cash or appreciated securities, Wesleyan agrees to pay a fixed sum to one or two people each year, for life. The payments are an obligation of the University and are backed by the general resources of Wesleyan.

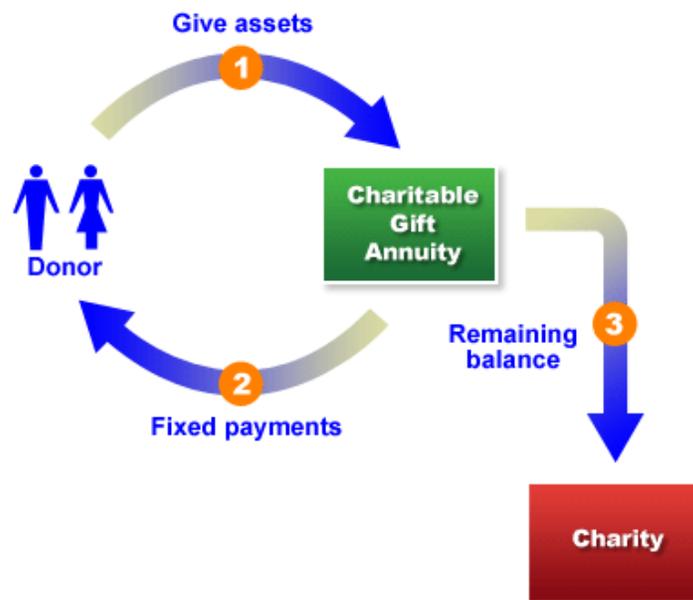
### *Is a CGA right for you?*

A charitable gift annuity could be the right life income gift if you want to...

- make a significant gift to Wesleyan and receive lifetime payments in return,
- save on your income or capital gains taxes,
- receive payments that may be partially tax-free, and,
- enjoy secure payments that will not fluctuate, even if market conditions do.

### *How does it work?*

- You make an irrevocable gift of cash, appreciated securities, or another asset to Wesleyan.
- In exchange, Wesleyan pays you a fixed annual amount each year for the rest of your life. You cannot outlive your income from a CGA.
- When your charitable gift annuity concludes, the remaining principal is transferred to Wesleyan to be utilized as you designated at the time your gift was made.



### ***What are the tax benefits?***

- You will receive a federal income tax deduction for a portion of your gift.
- If you fund your charitable gift annuity with appreciated securities, naming yourself as the beneficiary, no capital gains tax is due on the transfer. Only a portion of your capital gain will be reportable, and the tax will be spread over your annuity payments.
- Part of each annuity payment will be treated as tax-free return of your principal. This effectively increases the yield from your annuity over your life expectancy.

### ***I don't need the income currently, can I defer the payments?***

Yes! Your charitable gift annuity payments can begin once you have made your gift, or you can specify that your payments will begin at a later date. This is known as a **deferred payment charitable gift annuity (DCGA)**. Deferral entitles you to a higher annuity rate and results in a larger charitable deduction. Donors can create a series of deferred charitable gift annuities over multiple years, jointly timed to begin making payments to supplement retirement income.

### ***I don't need the income now, can I defer the payments and choose between several dates when I wish to begin to receive payments?***

Yes, you can. If you know you want to defer the start of payments, but are not certain of the date when you would like to begin to receive them, you can designate a range of years for when you may want the annuity payments to begin. When you are ready for payments to start, you let Wesleyan know and the University will initiate payments for the lives of the beneficiaries.

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As a charitable gift annuity donor, we welcome you into the Olin Associates legacy society. Established in 1989, this society recognizes and honors generous alumnae/i and friends who have made a commitment to the future of Wesleyan University through provisions in their wills, life income gifts, or other kinds of deferred gifts. Olin Associates help sustain the tradition of excellence in liberal arts education at Wesleyan.

