A Positive Rate Increase

We rang in 2023 with the news that rates for Charitable Gift Annuities (CGA) have gone up by about 0.6% making this an excellent time to give a gift that gives you something back. CGA benefits include:

- Impactful deferred gift to Williams
- Lifetime income stream
- Federal income tax charitable deduction if you itemize, reducing your actual gift cost
- Capital gains tax savings if you choose to use appreciated securities to fund the CGA
- Potential estate tax savings

If you are preparing to celebrate your 50th Reunion, by funding a CGA you and your class will receive the full-face value as gift credit.

$25,000 CASH GIFT:
IMMEDIATE PAYMENT FOR A SINGLE BENEFICIARY

BENEFICIARY AGE	65	75	85
Fixed Annuity Rate	5.4%	6.6%	8.7%
Fixed Annual Payment (Percent tax-free)	$1350 (57%)	$1650 (65%)	$2175 (75%)
Federal Income Tax Charitable Distribution	$9,658	$11,614	$13,973

Minimum gift amount is $15,000. Deferring your payments may give you a higher rate. Actual benfits may vary depending on the timing and funding source of your gift.

Use our Gift Calculator

CGA 101:
Charitable Gift Annuities Demystified

A CGA is a simple agreement: Williams promises to pay you or your named beneficiary for life at a fixed annual rate based on:

1. the beneficiary's current age
2. the length of time between the date of the gift and the start of payments

Here are more details.

Can I name multiple beneficiaries?

Yes! You can designate up to two.

Are the lifetime payments guaranteed?

Yes! Williams manages the investment and assumes all risk.

What happens to the money when my beneficiary passes?

When you create the CGA you choose a purpose that the gift remainder will support.

Is there a minimum gift that I need to fund a CGA?

Yes, the minimum gift is $15,000.

Reach us to learn more at 413.597.3538 or gift.planning@williams.edu.

CGA opportunity in new law - and more!

Are you 70.5+? With SECURE Act 2.0, growing older has benefits like a one-time opportunity to fund a CGA (or a charitable remainder unitrust) with your IRA up to $50,000. Donors have long been able to use up to $100,000 from an IRA for tax-advantaged charitable contributions—now you can use your IRA to fund a CGA.

As with an outright gift, a qualified charitable distribution gift to a CGA from an IRA is not eligible for a tax deduction. However, funding a CGA with your IRA allows you to make a substantial charitable gift and not have to recognize the income from your IRA all at once.

Starting in 2024, outright qualified charitable distributions (QCD) from an IRA will be indexed to inflation–the $100,000 maximum will increase a little every year.

And charitable gifts from your IRA--whether outright or through a CGA--count towards your required minimum distribution if you have one (The age for beginning required minimum distribution increased to 73 in 2023.)

"We are thrilled that Congress has enacted this new legislation. It provides a great opportunity for donors to use their retirement savings for their charitable giving, and it's great to see something that donors have wanted for so long to finally come to fruition." ***Emi Loveridge '14*** *is a Sales and Marketing Associate at PG Calc, an industry leader and Williams partner in planned giving.*

Create Income that Results in a Gift to Williams with a CRUT

They're alumni. They're parents of an alumnus. They've served on committees and as class agents. And now, **Randy and Lesley (Feltman) Rogers '85** have added to their Williams legacy. Not only have Randy and Lesley provided for a bequest in their wills, they have also established a charitable remainder unitrust (CRUT) which will be invested alongside the college's endowment.

"Establishing our CRUT with Williams was a win-win for us. Having the trust invested alongside the endowment will provide strong income returns to us over our lifetimes, and the college will receive the remainder after we're gone. Williams is important to us, because of what it has meant to our own lives, and also because we believe deeply in the power of education to transform lives. We feel fortunate to be able to contribute to sustaining Williams for future generations of Ephs." — Randy Rogers '85, Chief Financial Officer at Merrion Investment Management

What is a CRUT?

CRUTs are a flexible arrangement--you place assets into a trust, receive a tax deduction, and pays beneficiaries for the life of the trust. Assets remaining in the trust when it ends come to Williams to support the college in a way that is meaningful to you.

How can you fund a CRUT?

Cash, appreciated stocks, complex business interests, and real estate are all tax-advantaged funding assets. Using highly appreciated assets allows you to generate a stream of income and save both income and capital gains taxes.

You and Williams share in the investment risk and rewards: your payments increase if the investment grows over time, but can decrease if the market has a downturn in a given year. A CRUT can limit the impact of inflation on your overall income over time and make a wonderful charitable gift.

CRUT 201:
More to know about Charitable Remainder Unitrusts

– Williams can serve as trustee (charging no trustee fees) and manage the investment alongside the endowment or with our partners at TIAA Kaspick If the college is the sole remainder beneficiary.

Donors younger than 60 can create a trust for a term of up to 20 years.
Donors age 60+ can receive income for life.

– If you'd like to establish a trust to benefit multiple charities, our trusts and estate administration office can partner with whomever you chose to manage your trust.

Reach us to learn more at 413.597.3538 or gift.planning@williams.edu.

Williams does not provide legal or tax advice. Please consult your own legal and tax advisor in connection with gift and planning matters.

Williams College Office of Gift Planning
Email: gift.planning@williams.edu
Consult our Gift Planning staff or Trust & Estate staff
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413-597-3538
Learn about the Ephraim Williams Society