Legacy IRA Charitable Gift Annuity (CGA)

Use a Qualified Charitable Distribution (QCD) from your IRA to get guaranteed fixed payments for life

An owner of an IRA who is aged 70 ½ or older has a one-time opportunity to contribute up to $54,000 within one year to a CGA. Annuity payments must begin within the year the gift is funded. Williams manages the gift annuity administration and assumes all investment risk. When the last beneficiary passes away, the gift remainder provides support for Williams for the purpose of the donor's choosing.

"It's finally here! I have been waiting on this option for ages. I love the idea of being able to use my IRA to support Williams, counting the distribution against my RMD, and getting guaranteed income for life! It's helpful to anyone with an RMD, but especially me since I'm still working, rallying Ephs at sporting events, Homecoming, and Reunion!"
-Ephelia

Sample Gift illustrations   2025
$54,000 immediate payment CGA funded by IRA QCD
One Lifetime Beneficiary age 71:
- Fixed Annual Payout Rate: 6.4%
- Fixed Annual Payments: $3,460

Two Lifetime Beneficiaries age 71:
- Fixed annual Payment Rate: 5.6%
- Fixed annual Payments: $3,020

Benefits
- Receive a stream of lifetime income.
- Exclude the IRA distribution from your taxable income in the year of the gift, requiring no tax payments on the distribution.
- Lifetime CGA payments allow you to spread the taxes of your IRA distribution over your lifetime, and
- Your IRA distribution will count against your RMD (if you have one) for the year in which you make your gift.
- Backed by the college's full assets.
- Receive fundraising or 50th Reunion gift credit for the full amount of your gift.

Gift Amount: $20,000 - $54,000
Beneficiary Age Minimum: 70 ½

You can also use your IRA to make an outright gift. Contact Gift Planning for more information.

Additional Considerations

- An IRA funded CGA does not generate a federal charitable income tax deduction.
- Payments are taxed as ordinary income.
- Up to two beneficiaries may be named if they are married and annuity rate is at least 5%.
- Any amount (up to $54,000) used for a QCD to a CGA counts as part of the $108,000 annual maximum allowed for QCDs (indexed to inflation).
- Employer-sponsored retirement plans, such as SEP IRAs, SIMPLE IRAs, 401(k)s, and 403(b)s are not eligible for making QCDs.
- While the IRS permits QCDs from Roth IRAs, it is likely more advantageous to recognize ROTH IRA income and fund a CGA with cash. Consult your financial or tax adviser for advice.
- Most (but not all) states exclude QCD gifts from income for state and local tax purposes.
- If you are counting your QCD toward your RMD, make sure you pay close attention to RMD timing rules and work closely with your IRA administrator to avoid penalties associated with late withdrawals.
- In 2020 Congress eliminated the "stretch IRA", removing the ability of heirs to stretch payments from an inherited IRA over their lifetime. Now, all assets must be withdrawn from most inherited IRAs within 10 years (beneficiaries not affected – spouse, disabled, chronically ill, individual less than 10 years younger than decedent, minor children until age of majority). *Please see your advisor to discuss your personal finances and planning.*

Contact Gift Planning for a personalized illustration

Office of Gift Planning | E-mail: gift.planning@williams.edu | Phone: 413-597-3538 | Web: giftplanning.williams.edu

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