



Frequently Asked Questions about Charitable Gift Annuities

1. **What is a Charitable Gift Annuity (CGA)?** A CGA is a simple contract between you and AFA where you agree to donate a sum of money to our organization. In return, AFA agrees to pay you a fixed percentage of that amount every year for as long as you live.
2. **What is the minimum amount I need to fund a CGA?** \$5,000 or more.
3. **How do I go about getting a CGA?** You simply make a phone call to our department and let us know of your desire to get a CGA. You can use a check, a credit card or transfer stock, gold or property to fund the CGA. We provide you with a detailed illustration showing: your personal payment rate, your income tax deduction for the year and your capital gains tax savings.
4. **Can I receive a quote before I decide to fund a CGA?** Yes, we are happy to provide a quote at no charge based upon the information you give us.
5. **What information will I need to provide?** Your name, date of birth, address and amount with which you wish to fund the CGA. If you include your spouse or other person on your CGA, his or her information would be needed as well.
6. **How many names can be on my CGA?** No more than two. Usually, if married, a spouse or if you add a younger person such as a child, realize that your percentage rate will be lower.
7. **What is the age to start receiving income from my CGA?** Retirement age such as 65, 68, or older.
8. **If I am younger than retirement age can I get a CGA?** Yes. A deferred or flexible deferred CGA would allow you to give a gift now and receive income in your retirement.

9. **What exactly is a deferred gift annuity?** It is exactly like a CGA except you must wait a few years for the first payment. The longer you wait, the higher the payment rate will be.
10. **If I am already retirement age can I still defer receiving my income payments?** Yes. In fact, the longer you wait to receive payments, the higher your percentage will be, thus the higher your income will be.
11. **Can I add to my CGA?** IRS will not allow you to add to a CGA, but you are allowed to have as many CGAs as you would like.
12. **Do I receive a tax deduction for having a CGA?** Yes, but IRS will not allow a dollar for dollar deduction as you will be receiving a lifetime income.
13. **If I don't need the tax deduction in the year I get a CGA, will I lose the deduction?** No. You have a total of 6 years to use your tax deduction.
14. **Can I use my IRA or retirement account to fund a CGA?** You can use those funds, but IRS will not allow you to simply roll those over into a CGA without paying your taxes on those monies since you will be receiving the tax deduction for the CGA.
15. **Can I withdraw the funds after I get a CGA?** No. IRS deems a charitable gift as irrevocable.
16. **What happens to any remaining funds at my death?** If you included a second person on your CGA, that person would continue to get the payments until his or her death. Any remaining funds would go to AFA. If the CGA is in your name only, any remaining funds would go to AFA.