



# Charitable Gift Annuity

## Simplicity, Security, and Attractive Income Deductions

A charitable gift annuity (CGA) is a simple agreement between you and Southwestern Baptist Theological Seminary (SWBTS). In exchange for a gift of cash or appreciated assets, you can receive fixed payments for life. These are great for mature donors who have non-income producing assets or who desire to guarantee a portion of the retirement income. Many like the idea of supplemental income you can't outlive. Those mature donors who are age 65 and older can obtain a tax-advantaged stream of income for life or for family members at death, with the remainder passing to SWBTS.

Of all the gifts that pay you back, the charitable gift annuity (CGA) is the simplest, most affordable, and most popular. You make a gift to SWBTS, and in return, we agree to make fixed payments to you for life. The gift agreement is a simple contract between you and the seminary. Your payments become one of our general obligations, fully backed by all our assets, and will not fluctuate. When the contract ends, we apply the balance of the gift annuity to the program you designated when you made your gift..

### Why create a CGA?

- Receive more income for your money because of higher rates.
- Receive dependable cash-flow for life, regardless of fluctuations in the market.
- In many cases, receive payments at a rate higher than the interest you are currently receiving on investments.
- Receive an immediate income tax deduction for a portion of your gift.
- A portion of your annuity payment will be tax-free for a number of years.

### How to Get Started:

- Contact the SWBTS Development Office with your intentions, thoughts, questions, etc.
- Transfer cash or securities to SWBTS. Our minimum suggested gift requirement is \$25,000.
- The seminary pays you, yourself and a spouse, or any two beneficiaries you name, fixed payments for life.
- Beneficiaries are recommended to be at least 65 years of age at the time of the gift.
- The remaining balance passes to SWBTS when the contract ends.

### Your tax benefits for creating a CGA:

- You will receive a federal income tax deduction for a portion of your gift, based on the full value of the assets you contribute minus the present value of the life-income interest you retain.
- If you fund your charitable gift annuity with appreciated securities, naming yourself as 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.

### Additional Points:

- Your gift annuity can start payments once you have made your contribution (an immediate payment gift annuity), or payments can begin at a later date selected. Another option, Deferred Gift Annuities, entitles you to a higher annuity rate and generates a larger charitable deduction.



- Supplement Income in Retirement – If you have already retired and want to increase the yield from low-dividend stocks or other interest-bearing assets, a charitable gift annuity can provide you with guaranteed fixed income for life at a rate higher than most dividends, CDs, or savings accounts. Best of all, when the annuity matures, you support the Southwestern Seminary mission.
- Income to Aging Parents – Many members of the “sandwich” generation face the difficult task of caring for children at the same time they are providing help and support for aging parents. Frequently, these parents do not want to take money from their children, causing them financial hardship. A charitable gift annuity with us can provide payments or direct deposit to your aging parent or parents now and a gift to us later, all while providing you with both peace of mind and an income tax deduction.

#### **Final Points**

- A charitable gift annuity at the seminary can be created with a suggested gift of \$25,000 or more.
- Gift annuities bring the benefits of a life-income gift into reach for many donors.
  - ▶ Your gift annuity can make payments to a maximum of two people.
  - ▶ Gift annuity rates are partly determined by the age of the beneficiary.

## **Contact us for Assistance:**

Email: [giving@swbts.edu](mailto:giving@swbts.edu)

Phone: 817-921-8830

Office of Institutional Advancement  
Southwestern Baptist Theological Seminary  
P.O. Box 22500  
Fort Worth, Texas 76122