



Charitable Gift Annuity

Income for Today, A Gift for Tomorrow



Composing a Legacy

“We will receive income for life, and we’re confident the Community Foundation will carry out our charitable legacy in the future.”

– Marty Wolf
Martin R. Wolf Family Fund of
the CFMC, Legacy Society Member

The Wolfs enjoy income for life through a charitable gift annuity which will benefit jazz and classical music education and performance.

“With the CGA, I know Francesca will be taken care of. It’s good to know the Community Foundation has longevity and a good track record so we can be assured there will be continuity and oversight.”

Giving through a Charitable Gift Annuity (CGA) allows you to make a generous gift to your community, while providing an income source you can count on for the rest of your life.

How it works

- You establish a charitable gift annuity with the Community Foundation for Monterey County (CFMC) and receive an immediate tax deduction plus a guaranteed stream of income that is fixed, regardless of market conditions. A portion of your income is tax free.
- You can give cash, appreciated stocks, real estate, or other assets. You can also use a one-time Qualified Charitable Distribution from your IRA.
- The CFMC handles all the administrative details, issuing annuity payments to you (and your designated recipients).
- Upon your death, the remainder establishes an endowment to benefit the nonprofit(s) of your choice, or the CFMC’s general grantmaking through the Fund for Monterey County to address changing community needs.
- Your fund will create a permanent philanthropic resource, helping to do good work forever.

Charitable Gift Annuity



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Charitable Gift Annuity Benefits

- You receive an immediate tax deduction.
- Income from your CGA can be used to supplement your lifestyle, or someone else's, such as a sibling, dependent parent, friend, or former employee. You or a loved one can start receiving annuity payments immediately, or choose to defer them.
- A portion of the income may be tax-free.
- A CGA reduces estate assets and may decrease estate taxes. Plus, it's backed by the general assets of the Community Foundation for Monterey County.
- You may have more than one CGA.

How Much Income Will My CGA Generate?

A Charitable Gift Annuity produces a fixed source of income for life, based on the amount of the gift and your age when you establish it. Rates range from 5.7% (for age 65) to 10.1% (for 90 and above).

Age	65	70	75	80	85	90+
Rate of Return	5.7%	6.3%	7.0%	8.1%	9.1%	10.1%
Annual Return on \$50,000 CGA	\$2,850	\$3,150	\$3,500	\$4,050	\$4,550	\$5,050

American Council on Gift Annuities, Single Life 2024 (acga-web.org)

Sample Gift - Taylor Alvarado

On her 75th birthday, Taylor reached out to the CFMC to establish a Charitable Gift Annuity. With a \$50,000 donation Taylor will create a CGA with a 7% fixed return and:

- receive an immediate income tax deduction of \$19,632
- receive \$3,500 fixed payment for life (\$2,450 of which is tax free)
- fund her charitable legacy by creating an endowed fund to benefit her favorite nonprofit.
- may enjoy reduced probate costs and estate taxes



*\$2,450 is tax free for the first 12.4 years



Wayne Marien and Elizabeth Stacey established a CGA with the Foundation

Create a CGA through Your IRA

Donors can make an IRA Qualified Charitable Distribution or "QCD" in exchange for a CGA. There are some rules and limitations:

- You can exercise this option only once during your lifetime.
- Spouses can each contribute up to \$55,000 from their IRAs (adjusted annually for inflation)
- The entire payment you receive from your CGA will be subject to income tax.
- The IRA owner and/or their spouse may receive the annuity payments.
- Although there is no income tax deduction for this contribution, there is no tax on the QCD.

For a detailed view of returns and tax benefits, contact us to run a custom scenario to see how a CGA would work best for you.

*Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency of the California Life and Health Insurance Guarantee Association. This is not legal advice. Any prospective donor should seek the advice of a qualified estate and/or tax professional to determine the consequences of his or her gift.



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CFNS
ACCREDITED FOUNDATION
Confirmed in Compliance with Community Foundations National Standards

To inspire philanthropy and be a catalyst for strengthening communities throughout Monterey County



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