HAWAI'I COMMUNITY FOUNDATION

Create a Charitable Gift Annuity

A Charitable Gift Annuity (CGA) allows you to leverage your generosity while producing tax savings and a fixed annuity that can provide great benefits to you, your family and the community.

What is a Charitable Gift Annuity?

A CGA is a contract in which a donor makes a gift today in return for a fixed lifetime annuity from the Hawaiʻi Community Foundation (HCF). The donor receives a tax deduction on the net value of the gift. The annuity is payable to the donor or someone they designate, called the "annuitant." Up to two annuitants can be named. Through the contract, the donor directs the remaining balance (called the "residuum") left at the death of the annuitant(s) to be applied towards the Catalyst Fund.

How does it work?

1. ENTER INTO A CONTRACT
Fill out a CGA application and agreement. HCF will work with you and your professional advisor to determine the best way to design your CGA based on your personal situation and charitable goals.

2. RECEIVE ANNUITY PAYMENTS
Once you enter into a CGA, it will provide a lifetime fixed annuity payout for up to two annuitants.

3. LEAVE A LEGACY
At the end of the CGA term (e.g., the death of the annuitant(s)), the residuum will be applied towards HCF's Catalyst Fund, which supports HCF's ability to anticipate and address the future needs of Hawaiʻi and its residents.

When should I consider a CGA?

Consider a CGA if some of these apply to you:

- ☐ You are an existing HCF donor age 65 or older.
- ☐ You wish to leave a gift to HCF's Catalyst Fund.
- ☐ You want the security of a fixed payout arrangement that runs for life.
- ☐ You have assets of $50,000 or greater that you are able to gift to establish a CGA, such as cash, funds earning low interest rates, or appreciated securities.
- ☐ You seek a charitable tax deduction.

What are the benefits of a CGA?

- CGAs are easy to create — the agreement is a simple contract between you and HCF.
- The annuitant receives fixed annuity payments for life.
- Part of the annuity payments may be tax-free.
- An immediate charitable tax deduction for a portion of the gift.
- No capital gains tax is owed on appreciated property used to start a CGA.
- Donors can be assured that their gift is backed by the financial strength of one of the largest and oldest community foundations in the nation.

For more information about creating a CGA
at the Hawaiʻi Communiy Foundation, contact us at
(808) 566-5560 or email donorservices@hcf-hawaii.org.

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hawaiicommunityfoundation.org

Here's an example using a fictitious donor:

JANE AKAMAI GIVES $200,000 AND RECEIVES ANNUITY PAYMENTS.

Jane Akamai, age 72, designates herself as the annuitant. Jane makes a cash gift of $200,000 to the Hawaiʻi Community Foundation in exchange for a CGA. She will receive fixed annual payments of $13,200 from HCF for the rest of her life. Ms. Akamai is entitled to an immediate charitable deduction of approximately $77,748.

JANE SAVES UP TO $28,435 IN FEDERAL TAXES.

Assuming she is in the 35% federal income tax bracket, Ms. Akamai could save as much as $28,435 in federal income taxes. Of the $13,200 she receives each year, $4,778 is taxed as ordinary income and $8,421 is tax-free for the first 14 years.

JANE MAKES A DIFFERENCE LONG AFTER SHE IS GONE.

At the end of her life, the remaining balance of Ms. Akamai's CGA (projected to be at least 50% of the original contribution) will be left to HCF's Catalyst Fund to provide critical behind-the-scenes support for HCF's many programs, which include rapid response to urgent community needs, research and development, or early seed funding for new projects.

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