# Deferred Charitable Gift Annuity

## A Gift That Gives Back When You Need It

Do you want to receive a fixed income and support Mount Holyoke College? A deferred charitable gift annuity can provide you with a secure income starting a year or more after you make your gift. A deferred charitable gift annuity is a contract between you and Mount Holyoke College that provides advantages for both. By funding a deferred charitable gift annuity, you will provide valuable support to Mount Holyoke College and receive a charitable income tax deduction and fixed payments for your lifetime or the lifetime of a loved one.

The deferred charitable gift annuity is an ideal choice for younger donors or those who have not yet retired, providing a tax deduction now and tax-favored income later. Such a deferred investment can supplement other tax-sheltered investment plans, such as IRAs, 401(k)s, 403(b)s, or Keogh plans. When you donate appreciated securities instead of cash, you may be able to reduce your capital gains tax liability as well.

## Summary of Financial Benefits:

- You have sufficient income now but want to supplement your income later, for example, when you retire
- Guaranteed fixed payments for life
- A portion of your payments may be nontaxable
- Charitable income tax deduction for a portion of the gift
- Reduced capital gains taxes
- Make a gift to Mount Holyoke

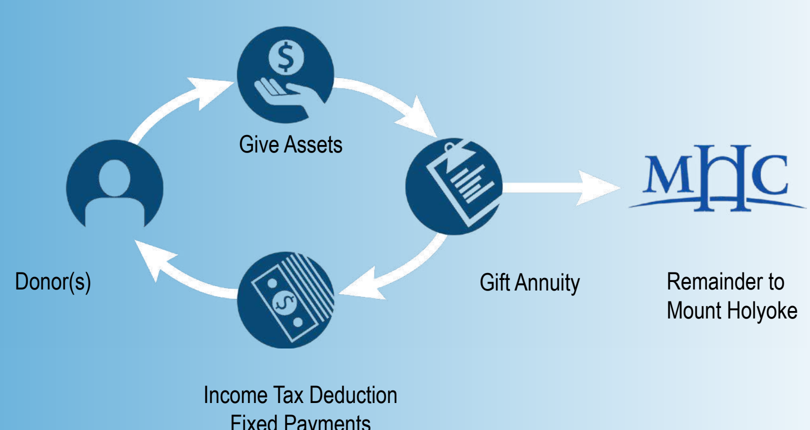
## Sample Annuity Rates*

Minimum gift amount is $10,000

| Age at Gift | Years Deferred | Payment Rate | Payment | Deduction |
|---|---|---|---|---|
| 45 | 10 | 6.2% | $620 | $3,376 |
| 55 | 8 | 6.5% | $650 | $4,040 |
| 60 | 6 | 6.4% | $640 | $4,250 |
| 65 | 5 | 6.7% | $670 | $4,627 |

### EXAMPLE:

Dawn ’72, age 55, contributes $10,000 cash and receives a lifetime annuity of $810 (annual payments start in 2030), of which $295 is tax-free. She receives an income tax deduction of $4,640 in the year she makes the gift*. After Dawn’s lifetime, the remaining funds will be used by Mount Holyoke, per her wishes.




* Based on rates recommended by the American Council on Gift Annuities (subject to change).

> *“I would tell anyone there’s no experience in higher education comparable to going to a women’s college. Because of Mount Holyoke, my life is richer.”*
>
> *— Linda Renasco Cadigan ’68*

## Benefits Include:

- Guaranteed fixed payments for life. The annuitants you name will receive fixed annual payments for life, backed by all the assets of Mount Holyoke College. With attractive annuity rates, the amount you receive from the asset may increase.
- Income tax deduction. You will receive an income tax deduction in the year of your gift to be used for immediate tax savings. This is usually 20–40 percent of your gift amount.
- Favorable capital gains tax treatment. If you fund the annuity with long - term appreciated securities (ones you have held for more than one year), you will incur tax on only part of the gain. If you name yourself as beneficiary, this tax will be spread out over many years. In other words, some of the capital gain is forgiven completely and the other portion is spread out over your life expectancy.
- Reduced estate costs. Your estate may enjoy reduced probate costs and estate taxes.
- Support Mount Holyoke College. You will have the satisfaction of knowing you are providing generous support to Mount Holyoke’s commitment to an intellectually rigorous education in the liberal arts and sciences through academic programs recognized internationally for their excellence and range.

## NEXT STEPS:

To receive further information and assistance on deferred charitable gift annuities, or to learn more about how your gift can help Mount Holyoke College, please contact Anne Vittoria or Dana Gillette.

- call **(413) 538-2637 or (800) MHC-GIVE**
- email **giftplanning@mtholyoke.edu**



By supporting Mount Holyoke College with your philanthropic donations, you are ensuring that the next generation of women can develop their intellects, hone the power of their voices, and cultivate courage.

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