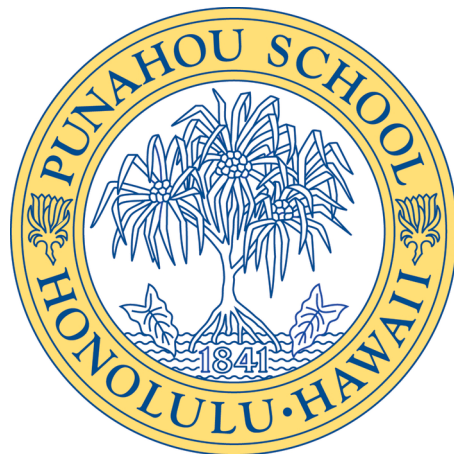


Charitable Gift Annuity



What's your plan?
A charitable gift
annuity can help you
achieve your goals



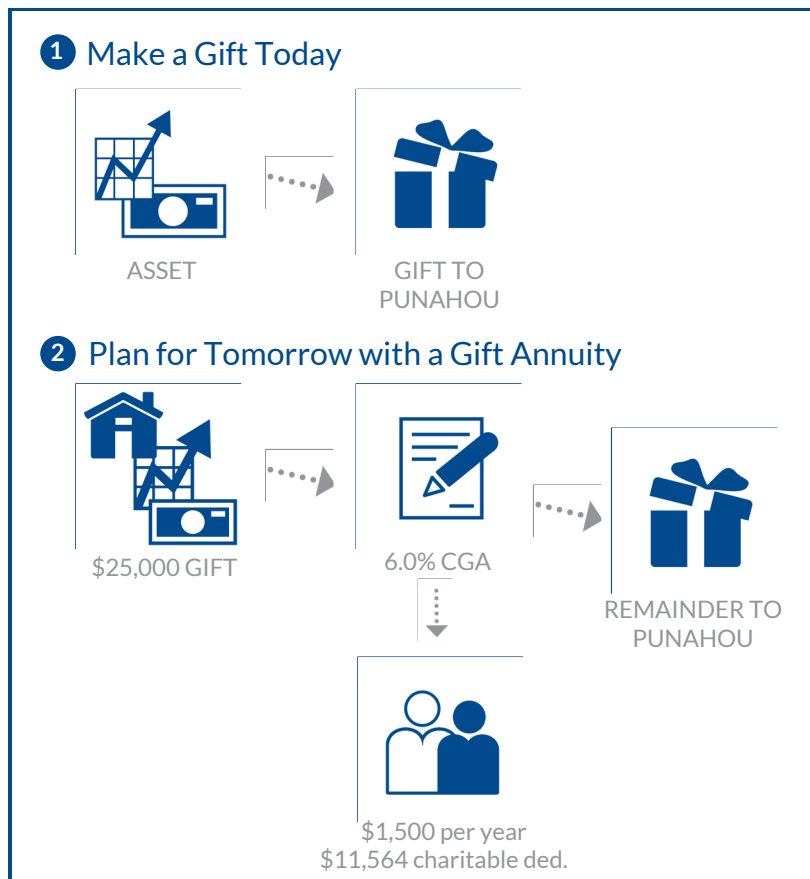
Consider a Charitable Gift Annuity in your financial and estate planning

A charitable gift annuity (CGA) allows you to leverage your giving while producing tax savings and fixed annuity payments for the rest of your life. It can provide benefits for you, your family and Punahou.

Receive partial tax-free income and support what you love at Punahou School.

How Does a Charitable Gift Annuity Work?

A CGA is a contract under which Punahou agrees to make lifetime payments to you or your designated beneficiary in exchange for a minimum gift of \$10,000. You are eligible to claim a charitable income tax deduction in the year of your gift and you pay no capital gains tax at the time of the sale of appreciated assets used to fund the CGA. After all the lifetime payments are made, Punahou will use the remaining balance to support Punahou's mission as you direct.



Here's how it works:

Kimo is **78 years old** and he wants to increase the impact of his giving with a \$25,000 cash gift for a CGA at Punahou. In contrast to an outright gift, Kimo will receive annual payments of **\$1,500 per year** for the rest of his life at the rate of **6.0%** based on his age. For the first 10.5 years, \$1,280 of his annuity is **tax free**. Kimo is also eligible to claim a **charitable deduction of \$11,564** in the year of his gift. (as of July 2020)

Basic Benefits of a

Current Gift and Gift Annuity

	OUTRIGHT GIFT	CHARITABLE GIFT ANNUITY
Flexibility	An outright, current gift is flexible. You decide on the amount of your annual gift based on what you can afford to give and you are free to increase your giving as your capacity to give grows.	A gift annuity offers tremendous flexibility. You can designate the beneficiary of the annuity (you, you and a loved one or another person). CGAs can be set up during life or with a gift from your estate to provide income to your loved ones. You select when the annuity payments commence: now or later when you need them.
Personal Satisfaction	An outright gift allows you to see firsthand how your gift is making a difference.	A gift annuity will help you leave a lasting legacy that continues to make a difference even after you are gone. You can rest assured your surviving joint annuitant will receive annuity payments for the rest of his/her life.
Potential Tax Benefits	An outright gift may allow you to take a charitable income tax deduction this year and reduce your income taxes. If you give an appreciated asset, such as stock, you can also avoid paying capital gains tax.	A gift annuity will provide you with a current charitable income tax deduction. If you use an appreciated asset to fund the annuity, you pay no capital gains on the gift portion of the asset. In addition, part of your annuity income is tax-free!



I Have a Plan



My charitable plan allows me to make an impact today and support future students as my legacy...



My financial plan focuses on reducing my income taxes and avoiding capital gains taxes while increasing my retirement income...



My personal plan is to use the additional income to help with my grandchildren's tuition...

What's Your Plan?

Definitions

Charitable Gift Annuity

A contract between a donor and charity where the donor contributes an asset in exchange for the promise of a lifetime of fixed payments for the donor or someone selected by the donor. Funds remaining after a lifetime of payments to the annuitant will go to support Punahou.

Outright Gifts

Gifts made today to support our mission. These are typically made by cash, check, online or a gift of a specific asset such as stock or real estate.

Charitable Income Tax Deduction

A tax benefit you receive when making a charitable gift. The deduction reduces the donor's tax liability in the year that the gift was given to charity. The amount of the deduction is typically equal to the fair market value of the charitable gift.

Capital Gains Tax

A tax that is due when you sell an appreciated asset. The tax is based on the difference between the sales price of an asset and your cost basis (often what you paid to acquire the asset). You can avoid paying this tax by making a gift of the appreciated asset to charity.



Contact Us Please contact us for more information on the benefits of a charitable gift annuity. Ask us for a free illustration to help you structure a gift annuity that is right for you.



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