



Charitable Gift Annuity

A charitable gift annuity is a simple contract (not a "trust"), under which Joslin Diabetes Center, in return for a transfer of cash, marketable securities or other assets, agrees to pay a fixed amount of money to one or two individuals, for their lifetime based upon the current annuity rates set by the American Council on Gift Annuities. The current annuity rates can be found at www.acga-web.org/gift-annuity-rates/current-rates.

A person who receives payments is called an "annuitant" or "beneficiary." The payments are fixed and unchanged for the term of the contract. A portion of the payments are considered to be a partial tax-free return of the donor's gift, which are spread in equal payments over the life expectancy of the annuitant(s).

The contributed property (the gift), given irrevocably, becomes a part of Joslin's assets, and the payments are a general obligation of the charity. The annuity is backed by the charity's entire assets, not just by the property contributed. Annuity payments continue for the life/lives of the annuitant(s) no matter what the investment experience of the gift annuity fund.

There are two types of charitable gift annuities.

1. An immediate gift annuity provides for the annuitant payments to begin immediately and continue for life.
2. A deferred gift annuity allows the donor to take an immediate charitable deduction and defer the start of the annuitant payments to a specified future date or to a date which can be determined.

Specific illustrations which detail cash flow, taxation and other implications of a charitable gift annuity can be provided upon request.

For more information, contact Tom Giddens, Planned Giving Advisor, at thomas.giddens@joslin.harvard.edu or 617-309-2412.