

Charitable Gift Annuities

Payments for Life



Berkeley Repertory Theater and Silicon Valley Community Foundation are excited to offer donors a new way to receive a fixed, dependable income for life while supporting the causes they care most about. By setting up a charitable gift annuity with SVCF, you or your loved one can receive a lifetime income and make a gift to benefit your community.

A charitable gift annuity is a simple contract between you and SVCF. In exchange for your contribution of \$25,000 or more, SVCF agrees to make fixed payments for life to one or two beneficiaries. The amount paid is based on the age of the beneficiary or beneficiaries and the amount of the contribution. After the beneficiary or beneficiaries pass away, the remaining value of the annuity passes to charity.

Why are gift annuities appealing?

- Your payments are fixed and are not affected by market turbulence
- Your payments are secure and backed by SVCF's assets
- Payments may be directed to you or a loved one, such as a parent, sibling or child
- You may qualify for a tax-deductible donation for a portion of the contribution
- The annuity may help to supplement your cash flow
- A portion of the payments you receive from the annuity may be tax-free
- You may receive a capital gains tax advantage if the annuity is funded with long-term appreciated assets
- The remainder will be used for the long-term benefit of our community

You can contribute cash or publicly traded securities to fund the gift annuity. If you have owned the securities for more than one year and they have appreciated in value, you may not be taxed on the gain when you transfer the securities if you are the payment beneficiary. In addition, if you are the beneficiary of an annuity funded with long-term appreciated assets, a portion of the payments you receive will be taxed partly as capital gains and partly as ordinary income, with an additional portion possibly treated as tax-free return of capital. If you contribute cash, a portion of your payments will be tax-free with the other portion treated as ordinary income.

Generally, the charitable deduction that you receive when setting up a gift annuity is approximately equal to the present value of the annuity's projected remainder. The tax-deductible amount also depends on the age of the beneficiary or beneficiaries and the amount of the contribution.

Younger donors may want to consider a deferred gift annuity. By establishing a deferred charitable gift annuity, you can make a charitable contribution now but postpone receiving payments until you are 60 or older. If you are still working and do not need income now, a deferred annuity may help you supplement the payments that you receive from your qualified retirement plan and/or Social Security during your retirement.

To learn more, contact Daria Hepps, dhepps@berkeleyrep.org or 510 647-2904. Alternatively, you may contact SVCF, 650.450.5444 or donate@siliconvalleycf.org.