

# CHARITABLE GIFT ANNUITIES

## WHAT IS A CHARITABLE GIFT ANNUITY?

A charitable gift annuity is a simple arrangement between you and Northeastern University. In exchange for your gift, you receive lifetime payments that begin immediately, as well as an instant tax deduction for a portion of the value of your gift.

## HOW DOES A CHARITABLE GIFT ANNUITY WORK?

- In exchange for your irrevocable gift of cash, appreciated stock, or mutual funds, you receive guaranteed fixed payments each year for life.
- Your annuity rate is determined by your age at the nearest birthday when your gift is made, and when you elect payments to begin.
- Part of each annuity payment you receive will be either completely tax-free or taxable at capital gains tax rates, depending on the asset you donate.
- You will avoid an upfront capital gains tax with gifts of long term appreciated securities.
- You receive a charitable income tax deduction in the year you make the gift.
- Your annuity payments are deposited directly into your bank account (payments are usually made quarterly).
- After your lifetime, the remainder passes to Northeastern for a purpose that is meaningful to you.

## PROVIDING FOR OTHERS

One or two individuals can be named as annuitants. For example, if you are married, both you and your spouse can be annuitants. Or, you can name another individual such as a sibling or friend to receive annuity payments after your lifetime. If you do not need the payments, you can simply establish a charitable gift annuity for one or two other individuals. The annuity rate will depend on the date(s) of birth of the annuitant(s). Annuities paying income to two beneficiaries pay a lesser amount than those that pay a single beneficiary.

A \$10,000 minimum gift is required to establish a gift annuity with Northeastern. Annuitants must be age 60 or older to begin receiving payments.

## DEFERRED GIFT ANNUITY

A deferred charitable gift annuity differs only in that your payments will begin one year or more after your gift has been received. While your payments start at a later date, you receive an immediate tax deduction for a portion of the value of your gift. The added benefit is that the income tax deduction and payout rate will increase proportionally.

## HOW DOES A DEFERRED CHARITABLE GIFT ANNUITY WORK?

- In exchange for your irrevocable gift of cash, stock, or mutual funds today, you receive guaranteed fixed payments for life beginning at a future date of your choosing.
- The deferral of payments results in a higher payout rate once your payments begin because your gift has time to grow.
- While your payments are deferred, you receive an income tax deduction in the year you make the gift.
- Part of each annuity payment you receive will be either completely tax-free or taxable at capital gains tax rates, depending on the asset you donate.
- After your lifetime, the remainder passes to Northeastern for a purpose chosen by you.

## FIND YOUR GIFT ANNUITY RATE RATES EFFECTIVE AS OF JANUARY 2024

ONE LIFE		TWO LIVES	
AGE	RATE	AGES	RATES
60	5.2%	60/65	4.8%
65	5.7%	65/70	5.2%
70	6.3%	70/75	5.8%
75	7.0%	75/80	6.5%
80	8.1%	80/85	7.3%
85	9.1%	85/90	8.7%
90+	10.1%	90/95+	9.9%

Rates are established by the American Council on Gift Annuities, and are subject to change.

## IMMEDIATE OR DEFERRED PAYMENT OF GIFT ANNUITY



### STEP 1

You give Northeastern a gift of cash or appreciated securities and receive a charitable income tax deduction.



### STEP 2

Northeastern makes fixed payments to you and/or another beneficiary for life starting now, or at a future date you select.



### STEP 3

The remainder goes to Northeastern.



THE SPEARE SOCIETY

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Funding a charitable gift annuity qualifies you for membership in the Speare Society. The society was established to honor Northeastern alumni, faculty, and friends who have demonstrated their generosity and commitment to the university through a planned gift. We look forward to welcoming you as a new member of this celebrated group. Learn more about the Speare Society by visiting [plannedgiving.northeastern.edu](https://plannedgiving.northeastern.edu).

We welcome the opportunity to work with you to ensure that your gift meets your specific objectives. It is advisable to consult your attorney or financial advisor before finalizing your plans. For more information, explore [plannedgiving.northeastern.edu](https://plannedgiving.northeastern.edu) or contact us at:

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