

GIANT, IMPORTANT DISCLAIMER: WE AREN'T GIVING LEGAL, TAX OR FINANCIAL ADVICE. PLEASE SEEK YOUR OWN COUNSEL FOR ANY DONATIONS. MANY OF THESE QUESTIONS ARE OPEN TO SOME INTERPRETATION, ARE GENERAL IN NATURE OR ARE UNIQUE TO A PARTICULAR JURISDICTION. ASSUME ALL ANSWERS ARE WRONG UNTIL YOU/YOUR DONOR CONFIRMS WITH HER/HIS ADVISOR.

**Q & A from “CHARITABLE GIFT ANNUITIES 101:
 What they are, where they fit and how to get more ...with no risk!” Webinar,
 September 2021**

Does the charity also get the initial gift to fund the annuity or only the balance at death?	100% of the residuum which is the balance at death - that theoretically could be higher than the initial gift but on AVERAGE charities should expect 50% of the initial gift in the future.
How does Charitable Solutions, LLC absorb all the market risk on a CGA?	We pray a lot! We have nearly 600 contracts in the pool and just under \$50 million. So, we are able to create smoothing through scale, and also, part of the fee is for loss reserves. Hope all is well with you and the PBAF! Tell Jack hello for me if you run into him.
I assume your firm provides the tax receipt for the charitable gift value to the donor after the gift is made? Not the future beneficiary i.e. charity.	Kind of both. Yes, to donor, but we also provide quarterly reports to the future beneficiary through our Sharefile portal.
Can a CGA be drafted for a term of years, or only for the annuitant's life?	Yes, technically it is called a commuted CGA (e.g., college annuity).
Could the 2021 100% Charitable Income Tax Deduction be the driver behind large CGAs?	Certainly! If you have a prospect, give us a call.
There may not be time to read this and respond, but curious if this is a good argument against CGAs or not. I'm guessing it partly depends on someone's tax situation???	Not sure I fully understand your point. A CGA is rarely motivated by tax benefits first. Most Americans do not even itemize deductions anymore. The partially tax free, guaranteed income has high appeal, along with desire to support the charity's good works.
What is the donor handoff like?	No handoff. We prefer to work through the charity representative. Once CGA is set up, all our work is mechanical – typically 4 deposits a year followed by a paper statement, and an IRS form 1099 in January. We have no contact with them otherwise. The donor stewardship is all on the development officers.