

# SINGLE LIFE

Age	Rate
0-5	3.3%
6-11	3.4
12-17	3.5
18-21	3.6
22-25	3.7
26-28	3.8
29-31	3.9
32-34	4.0
35-36	4.1
37-38	4.2
39-40	4.3
41	4.4
42-43	4.5
44	4.6
45-46	4.7
47	4.8
48	4.9
49	5.0
50	5.1
51-54	5.2
55-56	5.3
57-59	5.4
60	5.5
61	5.5
62	5.6
63	5.6
64	5.7
65	5.7

Age	Rate
66	5.8%
67	5.9
68	6.0
69	6.0
70	6.1
71	6.2
72	6.3
73	6.5
74	6.6
75	6.7
76	6.9
77	7.0
78	7.2
79	7.4
80	7.6
81	7.8
82	8.0
83	8.3
84	8.6
85	8.9
86	9.2
87	9.5
88	9.8
89	10.1
90 and over	10.5

**Procedure for Calculating Suggested  
Deferred Gift Annuity Rates**  
Approved by the American Council on Gift Annuities  
Effective July 1, 2008

- Determine the annuity starting date, which is:  
One year before the first payment, if payments are made annually.  
Six months before the first payment, if payments are made semi annually.  
Three months before the first payment, if payments are made quarterly.  
One month before the first payment, if payments are made monthly.
- Determine the number of whole and fractional years from the date of the contribution to the annuity starting date (the deferral period). Express the fractional year as a decimal of four numbers.
- For a deferral period of any length, use the following formula to determine the compound interest factor:  
  

$$F = 1.0475^d$$
 where  
 F is the compound interest factor and  
 d is the deferral period  
  
 Example: If the period between the contribution date and the annuity starting date is 14.5760 years, the compound interest factor would be  $1.0475^{14.5760} = 1.9668$ .
- Multiply the compound interest factor (F) by the immediate gift annuity rate for the nearest age or ages of a person or persons at the annuity starting date.  
  
 Example: If the sole annuitant will be nearest age 65 on the annuity starting date and the compound interest factor is 1.9668, the deferred gift annuity rate would be  $1.9668 \times 5.7\% = 11.2\%$  (rounded to the nearest tenth of a percent).

Comments:

- The annuity starting date for purposes of calculating the deferred gift annuity rate will be the same as the annuity starting date for calculating the charitable deduction, if payments are at the end of the period (which is usually the case). This was not true with the pre-July 1, 2001 methodology.
- An annuitant is credited with compound interest for the entire period from the date of contribution to the annuity starting date. Under the pre-July, 2001 methodology, compound interest was credited only for the number of whole years between the two dates.
- Charities issuing deferred gift annuities in New York and New Jersey may need to use a slightly lower compounding rate depending on the deferral period. Information regarding this subject will be posted on the ACGA website ([www.acga-web.org](http://www.acga-web.org)) and on the new gift annuity rate sheets.

# SUGGESTED CHARITABLE GIFT ANNUITY RATES

Approved by the American Council on Gift Annuities,  
April 2, 2008  
Effective July 1, 2008

## AMERICAN COUNCIL ON GIFT ANNUITIES

*Promoting Responsible Philanthropy*

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**NOTES:**

- The rates are for ages at the nearest birthday.
- For immediate gift annuities, these rates will result in a charitable deduction of more than 10% if the CMFR is 3.4% or higher, whatever the payment frequency. If the CMFR is less than 3.4%, the deduction will be less than 10% when annuitants are below certain ages.
- For deferred gift annuities with longer deferral periods, the rates may not pass the 10% test when the CMFR is low.
- To avoid adverse tax consequences, the charity should reduce the gift annuity rate to whatever level is necessary to generate a charitable deduction in excess of 10%.



**Note to Charities Issuing Deferred Gift Annuities  
in New York and New Jersey\***

**Approved by the American Council on Gift Annuities on April 2, 2008  
Effective July 1, 2008**

Through August of 2008, the following compound interest factors during the deferral period noted will satisfy the requirements of New York and New Jersey:

For deferral periods of zero to no more than five years:

- Single-life and two-life annuities, whatever the gender of the annuitants, a compound interest factor of 5.25%. This is ACGA's suggested compound interest factor for deferred gift annuities.

For deferral periods of more than five years to no more than 10 years:

- Single-life annuities (male or female annuitant) or two-life annuities (both males or one male/one female), compound interest factor of 5.25%
- Two-life annuities (both females), compound interest factor of 5.0%.

For deferral periods of more than 10 years to no more than 20 years:

- Single-life annuity (male annuitant), compound interest factor of 5.15%.
- Single-life annuity (female annuitant), compound interest factor of 4.75%.
- Two-life annuity (both males), compound interest factor of 5.0%
- Two-life annuity (both females), compound interest factor of 4.65%.
- Two-life annuity (one male and one female), compound interest factor of 4.8%.

For deferral periods of more than 20 years:

- Single-life annuity (male annuitant), compound interest factor of 4.25%.
- Single-life annuity (female annuitant), compound interest factor of 4.0%.
- Two-life annuity (both males), compound interest factor of 4.2%
- Two-life annuity (both females), compound interest factor of 4.0%.
- Two-life annuity (one male and one female), compound interest factor of 4.05%.

Current annual interest rates during the deferral period for deferred gift annuities which would meet NY/NJ requirements (regardless of age) until NY/NJ next update their maximum allowable interest rates

Years in Deferral Period	Single Life		Two Lives		
	Male	Female	M/M	M/F or F/M	F/F
5 or less	5.25%	5.25%	5.25%	5.25%	5.25%
5 - 10	5.25%	5.25%	5.25%	5.25%	5.00%
10 - 20	5.15%	4.75%	5.00%	4.80%	4.65%
More than 20	4.25%	4.00%	4.20%	4.05%	4.00%

When New York and New Jersey release their internal assumptions later this year, the maximum compound interest factors for longer deferral periods may change. Information about the maximum compound interest factors for these two states will be posted on the ACGA website at that time. See [www.acga-web.org](http://www.acga-web.org).

\*New York and New Jersey are the two states known at this time that may require different interest factors for deferred gift annuities with longer deferral periods.

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