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The timing of payments made to the annuitants by a gift annuity, charitable remainder annuity trust, or charitable lead annuity trust.

Beginning of Period

Annuity payments are considered to be at the beginning of each period if they will be made on the date of gift and the first day of each subsequent payment period.

For example, a gift annuity that is funded on 12/1/2013 and makes quarterly payments of \$100 is considered to make beginning of period payments if its first payment is on 12/1/2013 for a pro rata amount of \$33.69 (for the period 12/1/2013 – 12/31/2013) and its next payment, for a full \$100, is on 1/1/2014 (for the period 1/1/2014 – 3/31/2014).

Note: If this same gift made its first payment on 1/1/2014 for a pro rata amount of \$34.78, it would be considered to make end of period payments, *not* beginning of period. The calendar date of the payments does not matter. What matters is the time that transpires between the date of the gift and the first payment and the amount of the first payment relative to all future payments.

End of Period

Annuity payments are considered to be at the end of each period if they will be made on the last day of each payment period. Payments are also considered to be at the end of each period if the first annuity payment will be prorated to reflect a short first payment period.

For example, a gift annuity that is funded on 12/1/2013 and makes quarterly payments of \$100 is considered to make end of period payments if its first payment is on 12/31/2013 for a pro rata amount of \$33.69. The same annuity would also be considered to make end of period payments if its first payment were on 2/28/2014 – a full 3 months after the date of gift – for the regular quarterly amount of \$100.

Other Timing

Annuity payments are considered to use “other timing” in the rare case that the first annuity payment will be made at the end of a short first period, but will be a full payment.

For example, a gift annuity funded on 12/1/2013 and makes quarterly payments of \$100 is considered to make “other timing” payments if its first payment is on 12/31/2013 for the full quarterly amount of \$100.

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