



Building Faith | Inspiring Hope | Igniting Change

July 15, 2014

Mr. Benjamin Taylor
12772 Happy Lane
Anytown, OH 12345

Dear Mr. Taylor,

It was a pleasure to learn of your interest in establishing a Deferred Catholic Gift Annuity administered by Catholic Extension. A charitable gift annuity is an excellent way to achieve goals for you while leaving a legacy gift for St. Mary's Catholic School, Anytown, Ohio.

A Charitable Gift Annuity is a simple irrevocable contract between you and Catholic Extension. In exchange for your irrevocable cash gift of \$10,000.00, Extension agrees to pay you a fixed sum of \$680.00 each year beginning in 2020 for life based on your age 70, and rate of return of 6.8%. Your benefits will include:

- 1) You may qualify for a federal income tax deduction of approximately \$5,140.20. Your deduction may vary modestly depending on the timing of your gift.

Note that deductions for this and other gifts of cash and non-appreciated property will be limited to 50% of your adjusted gross income. You may, if necessary, take unused deductions of this kind over the next five years, subject to the same 50% limitation.

- 2) You will receive fixed payments in monthly installments totaling \$680.00 each year for life, beginning in 2020. In addition, \$395.08 of each year's payments will be tax-free for 12.3 years.
- 3) Your estate may enjoy reduced probate costs and estate taxes.

If you have any questions regarding a gift annuity, please call me at 312-795-6047, or use our toll-free number at 1(800)842-7804.

Sincerely,

Bobbi Hannigan
Manager of Diocesan Initiatives

enc



CATHOLIC GIFT ANNUITY™

Administered by Catholic Extension

CATHOLIC GIFT ANNUITY
Administered by Catholic Church Extension Society

Charitable Gift Proposal

for

Ben Taylor - Deferred 5 years

July 15, 2014
Prepared by ba



CATHOLIC GIFT ANNUITY
Administered by Catholic Church Extension Society
Summary of Benefits

Prepared for:
Ben Taylor - Deferred 5 years
July 15, 2014

6.8% Deferred Gift Annuity

ASSUMPTIONS:

Annuitant	70
Age at Date of First Payment	[1/1/2020] 75
Cash Donated	\$10,000.00
Payout Rate from ACGA2012 Table	6.8%
Payment Schedule	semiannual

BENEFITS:

Charitable Deduction	\$5,140.20
Annuity	\$680.00
Tax-free Portion	\$395.08
Ordinary Income	\$284.92

After 12.3 years from the year the payments begin, the entire annuity becomes ordinary income.

The charitable deduction displayed above is based on an IRS discount rate for a month prior to the month of gift. To take your deduction based on this rate, you must specify it in an election statement that you file with your tax return.

Basic Gift Illustrations
Prepared by: bca

IRS Discount Rate is 2.4%

These calculations are for illustration purposes only and should not be considered legal, accounting, or other professional advice. Your actual benefits may vary depending on several factors, including the timing of your gift.



CATHOLIC GIFT ANNUITY
Administered by Catholic Church Extension Society
Taxation of Gift Annuity Payments

Prepared for:
 Ben Taylor - Deferred 5 years
 July 15, 2014

6.8% Deferred Gift Annuity

ASSUMPTIONS:

Annuitant	70
Date of Gift	7/15/2014
Age at Date of First Payment	[1/1/2020] 75
Cash Donated	\$10,000.00
Payout Rate from ACGA2012 Table	6.8%
Payment Schedule	semiannual

CALCULATIONS:

Charitable Deduction	\$5,140.20
Number of Payments in First Year	2
Annuity	\$680.00
Semiannual Payment	\$340.00

BREAKDOWN OF ANNUITY:

	Tax-free Portion	Ordinary Income	Total Annuity
2020 to 2031	395.08	284.92	680.00
2032 to 2032	118.84	561.16	680.00
2033 onward	0.00	680.00	680.00

After 12.3 years from the year the payments begin, the entire annuity becomes ordinary income.

The charitable deduction displayed above is based on an IRS discount rate for a month prior to the month of gift. To take your deduction based on this rate, you must specify it in an election statement that you file with your tax return.