

CATHOLIC  EXTENSION

Building Faith | Inspiring Hope | Igniting Change

November 1, 2018

Ms. Elizabeth Smith
123 Anystreet
Anytown, OH 12345

Dear Ms. Smith,

It is a pleasure to learn of your interest in establishing a Catholic Gift Annuity, administered by Catholic Extension. A charitable gift annuity may be an excellent way to achieve your goals, both for you while leaving a legacy gift to support Our Lady of Good Counsel in the Diocese of Example.

For example, if you irrevocably transfer \$10,000 in cash Catholic Gift Annuity, in exchange Catholic Gift Annuity agrees to pay you \$660 each year for life based on your age of 77. Your benefits will include:

- 1) You may qualify for a federal income tax deduction of \$4,780. 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 quarterly installments totaling \$660 each year for life. In addition, \$470 of each year's payments will be tax-free for 11.1 years.
- 3) Your estate may enjoy reduced probate costs and estate taxes.
- 4) You will provide generous support to Our Lady of Good Counsel in the Diocese of Example.

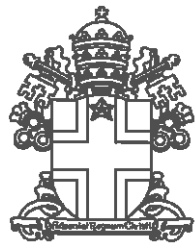
Once you determine if a Catholic Gift Annuity is right for you, please complete the enclosed application and Form W-9 and mail it back with your check in the envelope provided.

If you have any questions regarding a gift annuity, I can be reached at 312-795-6089 or by our toll free number 800-842-7804.

Once again, thank you for your interest in establishing a Catholic Gift Annuity to support Our Lady of Good Counsel in the Diocese of Example.

Sincerely,

Betty Assell
Annuity Coordinator



**CATHOLIC
GIFT
ANNUITY®**

Administered by Catholic Extension

**CATHOLIC GIFT ANNUITY
Administered by
Catholic Church Extension Society**

Charitable Gift Proposal

for

Elizabeth Smith

November 1, 2018



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

Prepared for:
Elizabeth Smith
November 1, 2018

6.6% Charitable Gift Annuity

ASSUMPTIONS:

Annuitant	[9/18/1941] 77
Date of Gift	11/1/2018
Cash Donated	\$10,000.00
Payout Rate from ACGA2018 Table	6.6%
Payment Schedule	quarterly at end

BENEFITS:

Charitable Deduction	\$4,780.00
Annuity	\$660.00
Tax-free Portion	\$470.58
Ordinary Income	\$189.42

After 11.1 years, the entire annuity becomes ordinary income.

Basic Gift Illustrations

IRS Discount Rate is 3.6%

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:
 Elizabeth Smith
 November 1, 2018

6.6% Charitable Gift Annuity

ASSUMPTIONS:

Annuitant	[9/18/1941] 77
Date of Gift	11/1/2018
Cash Donated	\$10,000.00
Payout Rate from ACGA2018 Table	6.6%
Payment Schedule	quarterly at end

CALCULATIONS:

Charitable Deduction	\$4,780.00
Number of Payments in First Year	1
Days in First Quarterly Period (10/1/2018 to 12/31/2018)	92
Days of Payment Credit in First Quarterly Period (11/1/2018 to 12/31/2018)	61
Annuity	\$660.00
Quarterly Payment	\$165.00
First Partial Payment on 12/31/2018 (61/92 x \$165.00)	\$109.40

BREAKDOWN OF ANNUITY:

	Tax-free Portion	Ordinary Income	Total Annuity
2018 to 2018	78.00	31.40	109.40
2019 to 2028	470.58	189.42	660.00
2029 to 2029	436.20	223.80	660.00
2030 onward	0.00	660.00	660.00

After 11.1 years, the entire annuity becomes ordinary income.