

Building Faith | Inspiring Hope | Igniting Change

November 1, 2018

Mr. & Mrs. Robert Clark 123 Anystreet Anytown, SD 12345

Dear Mr. & Mrs. Clark,

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 \$500 each year for life based on your ages of 70 and 71. Your benefits will include:

- 1) You may qualify for a federal income tax deduction of \$3,406. 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 semi-annual installments totaling \$500 each year for life. In addition, \$329 of each year's payments will be tax-free for 20 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.

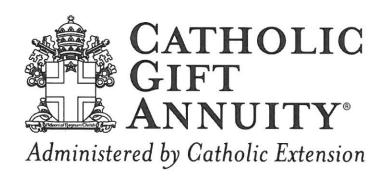
Once you determine if a Catholic Gift Annuity is right for you, please complete the enclosed application and Form W-9 and mail it back with your check in the envelope provided.

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 Church Extension Society

Charitable Gift Proposal

for

Robert & Janice Clark



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

Prepared for: Robert & Janice Clark November 1, 2018

5% Charitable Gift Annuity

ASSUMPTIONS:

Annuitants

70 71

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Cash Donated

\$10,000.00

Payout Rate from ACGA2018 Table

5%

Payment Schedule

semiannual

at end

BENEFITS:

Charitable Deduction

\$3,406.10

Annuity

\$500.00

Tax-free Portion

\$329.50

Ordinary Income

\$170.50

After 20.0 years, the entire annuity becomes ordinary income.

Basic Gift Illustrations

Prepared by: BA

IRS Discount Rate is 3.4%



CATHOLIC GIFT ANNUITY

Administered by Catholic Church Extension Society

Taxation of Gift Annuity Payments

Prepared for: Robert & Janice Clark November 1, 2018

5% Charitable Gift Annuity

ASSUMPTIONS: Annuitants	70
Date of Gift	71 7/17/2018
Cash Donated	\$10,000.00
Payout Rate from ACGA2018 Table	5%
Payment Schedule	semiannual at end
CALCULATIONS: Charitable Deduction	\$3,406.10
Number of Payments in First Year Days in First Semiannual Period (7/1/2018 to 12/31/2018) Days of Payment Credit in First Semiannual Period (7/17/2018 to 12/31/2018)	1 184 168
Annuity Semiannual Payment First Partial Payment on 12/31/2018 (168/184 x \$250.00)	\$500.00 \$250.00

BREAKDOWN OF ANNUITY:

	Tax-free	Ordinary	Total
	Portion	Income	Annuity
2018 to 2018	150.42	77.84	228.26
2019 to 2037	329.50	170.50	500.00
2038 to 2038	182.98	317.02	500.00
2039 onward	0.00	500.00	500.00

After 20.0 years, the entire annuity becomes ordinary income.

Basic Gift Illustrations Prepared by: BA

IRS Discount Rate is 3.4%

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.