

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 Extension*

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

Charitable Gift Proposal

for

Robert & Janice Clark

November 1, 2018



**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
Cash Donated	\$10,000.00
Payout Rate from ACGA2018 Table	5%
Payment Schedule	semiannual at end

**BENEFITS:**

<b>Charitable Deduction</b>	<b>\$3,406.10</b>
<b>Annuity</b>	<b>\$500.00</b>
Tax-free Portion	\$329.50
Ordinary Income	\$170.50

After 20.0 years, the entire annuity becomes ordinary income.



**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	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	1
Days in First Semiannual Period (7/1/2018 to 12/31/2018)	184
Days of Payment Credit in First Semiannual Period (7/17/2018 to 12/31/2018)	168
Annuity	\$500.00
Semiannual Payment	\$250.00
First Partial Payment on 12/31/2018 (168/184 x \$250.00)	\$228.26

**BREAKDOWN OF ANNUITY:**

	Tax-free Portion	Ordinary Income	Total 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.