

CATHOLIC  EXTENSION

Building Faith | Inspiring Hope | Igniting Change

November 18, 2018

Mr. James Greene
456 Smith St.
Anytown, XX 12345

Dear Mr. Greene,

On behalf of Catholic Church Extension Society, I thank you for your very generous support of Diocese of Example.

The proceeds from your gift will be used to establish the enclosed Catholic Gift Annuity #123123 dated November 15, 2018. Payments will begin December 31, 2023.

Our interpretation of the amount available to you as a charitable contribution for federal income tax purposes is \$5,789.00. This amount represents the difference between the value of the property described above and the value, calculated in accordance with IRS valuation tables, of the annuity payable under your gift annuity contract (\$4,211.00). Tax information is attached to the agreement. Please consult with your tax advisor before claiming a charitable deduction for your gift.

Please sign your name on **Page Three of both signature pages and have your signature witnessed. Promptly return the entire annuity contract and both signature pages to us in the enclosed business reply envelope for completion.** Then, we will sign the signature pages and return one fully executed agreement for your records.

We could not be more grateful to you for your outstanding generosity and your commitment to the future of the Catholic Church.

With prayerful best wishes, I am

Sincerely,



Reverend John J. Wall
President, Catholic Extension



Building Faith | Inspiring Hope | Igniting Change

November 18, 2018

Dear Mr. Greene,

Thank you for the contribution to Catholic Church Extension Society of the United States of America (Catholic Extension) to establish a Catholic Gift Annuity to benefit the Diocese of Example. The payments set forth in the agreement are guaranteed and will be made to the persons named in the agreement for life.

The annuity payments are a general obligation of Catholic Extension and are backed by all of our assets. As of December 31, 2017, Catholic Extension's total assets exceeded \$178,200,000, and are invested generally in equities, bonds and federal obligations. Included in the total invested assets is a gift annuity reserve fund, the value of which exceeds \$ 28,000,000. The annuity reserve fund is invested in accordance with the laws of the states which regulate the issuance of charitable gift annuities. State Street Global Advisors is the administrator of our fund.

Catholic Extension has been issuing annuities for over 100 years and we have never missed a payment. Responsibility for governing the organization is vested in our Board of Governors.

Common investment funds managed by Catholic Extension are exempt from registration requirements of the federal securities laws pursuant to the Philanthropy Protection Act of 1995. Information in this letter is provided to you in accordance with the requirements of that Act.

We would be pleased to provide any additional information at your request.

Sincerely,

Kevin P. McGowan
Chief Financial Officer

**Catholic Gift Annuity, Administered by
Catholic Church Extension Society
GIFT ANNUITY AGREEMENT #123123**

**One Life - Donor is the Annuitant
Payments are Deferred**

Notice to Donor: A qualified charitable gift annuity is not insurance under the laws of New Mexico and is not subject to regulation by the New Mexico Insurance Division or protected by a guaranty association affiliated with the division.

This Agreement is made between James Greene of 456 Smith St., Anytown, XX 12345 (hereinafter "the Donor"), and Catholic Gift Annuity, Administered by Catholic Church Extension Society, of 150 S. Wacker Dr., Suite 2000, Chicago, IL 60606 (hereinafter "Catholic Gift Annuity").

1. Transfer of Property by Donor

Catholic Gift Annuity certifies that the Donor, as an evidence of his desire to support the work of Catholic Gift Annuity and to make a charitable gift, on November 15, 2018 contributed to Catholic Gift Annuity the property described in Schedule A attached hereto, the fair market value of which is \$10,000.00.

2. Payment of Annuity

In consideration of the property transferred by the Donor, Catholic Gift Annuity shall pay to the Donor an annual annuity of \$810.00, commencing December 31, 2023 and continuing for the rest of his life. If the Donor dies before December 31, 2023, Catholic Gift Annuity is released from all obligations under this Agreement.

3. Payment Dates; First Installment

The annuity shall be paid in quarterly installments of \$202.50 at the end of the period. The first installment shall be payable on December 31, 2023.

4. Birth Date of Donor

The birth date of the Donor is December 31, 1945.

5. Payment Correction

If the stated birth date of the Donor should be found to be incorrect at any time, the amount payable or benefit accruing under this Agreement shall be such as would have been provided according to the correct birth date. If any underpayment or overpayment has been made on account of such misstatement, any such underpayment shall promptly be paid to the Donor, and any such overpayment shall be charged against the current and/or next succeeding payment(s) to the Donor.

James Greene

Annuity#123123

6. Irrevocability; Non-assignability; Termination

This annuity is irrevocable and non-assignable, except that it may be assigned to Catholic Gift Annuity. Catholic Gift Annuity's obligation under this Agreement shall terminate with the regular payment preceding the Donor's death.

7. Uses and Purposes of Gift

The payment of the annuity described in this Agreement shall be a general obligation of Catholic Gift Annuity. Except as may be specifically required by applicable state law, the property described in Schedule A shall be restricted for use by Catholic Gift Annuity program. Any residuum will be distributed as specified in Schedule A of this agreement.

8. Entire Agreement; Governing Law

This Agreement, together with Schedule A attached hereto, constitutes the entire agreement of the parties. Any calculations provided to the Donor are for illustration purposes only and are not incorporated into this Agreement. Except as may be specifically otherwise required by any statute governing charitable gift annuities in effect in the state of residence of the Donor at the time of this Agreement, this Agreement shall be governed by the laws of the state of Illinois. Any action under this Agreement shall be in the State of Illinois. The parties submit to jurisdiction in any Illinois court and waive any objection to such venue.

This Agreement is effective as of November 15, 2018.

IN WITNESS WHEREOF, Catholic Gift Annuity and Donor have executed this Gift Annuity Agreement No. 123123 in two counterparts, each of which shall be deemed an original, on the date first stated above.

DONOR:

Catholic Gift Annuity, Administered by
Catholic Church Extension Society
of the United States of America:

James Greene

By: _____
Kevin P. McGowan
Chief Financial Officer

WITNESSED:

By:

(Name of Witness) please print

(Address)

(City, State, Zip)

**Gift Annuity Agreement Between
James Greene and
Catholic Gift Annuity, Administered by
Catholic Church Extension Society**

SCHEDULE A

The following assets were irrevocably given to Catholic Gift Annuity, by the Donor, James Greene under Gift Annuity Agreement #123123 on the gift date 11/15/2018.

Description of Property

\$10,000.00 Cash

<u>Percent of Residuum</u>	<u>Charitable Organization and Address *</u>
90%	Diocese of Example
<u>10%</u>	Catholic Gift Annuity Reserve
<u>100%</u>	Total



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

Prepared for:
 James Greene
 November 18, 2018

8.1% Deferred Gift Annuity

Annuity#123123

ASSUMPTIONS:

Annuitant [12/31/1945] 73
 Date of Gift 11/15/2018
 Age at Date of First Payment [12/31/2023] 78

Cash Donated \$10,000.00
 Payout Rate from ACGA2018 Table 8.1%
 Payment Schedule quarterly

CALCULATIONS:

Charitable Deduction \$5,789.00
 Number of Payments in First Year 1
 Annuity \$810.00
 Quarterly Payment \$202.50

BREAKDOWN OF ANNUITY:

	Tax-free Portion	Ordinary Income	Total Annuity
2023 to 2023	100.24	102.26	202.50
2024 to 2033	400.95	409.05	810.00
2034 to 2034	101.26	708.74	810.00
2035 onward	0.00	810.00	810.00

After 10.5 years from the year the payments begin, the entire annuity becomes ordinary income.