

CATHOLIC  EXTENSION

Building Faith | Inspiring Hope | Igniting Change

November 1, 2018

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

Dear Mr. Greene,

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 the Diocese of Example.

For example, if you irrevocably transfer cash to Catholic Gift Annuity, in exchange Catholic Gift Annuity agrees to pay you a fixed sum each year for life. Your benefits will include:

- 1) You may qualify for a federal income tax deduction. 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 each year for life. In addition, a portion of each year's payments will be tax-free for a specified number of years.
- 3) Your estate may enjoy reduced probate costs and estate taxes.
- 4) You will provide generous support to Catholic Social Services in the Diocese of Example.

Enclosed is a proposal for a deferred annuity for five years, for you to review. 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 the Diocese of Example.

Sincerely,

Betty Assell
Annuity Coordinator



CATHOLIC GIFT ANNUITY
Administered by
Catholic Church Extension Society

Charitable Gift Proposal

for

James Greene

November 1, 2018



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

Prepared for:
James Greene
November 1, 2018

8.1% Deferred Gift Annuity

ASSUMPTIONS:

Annuitant	[12/31/1945] 73
Date of Gift	11/1/2018
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

BENEFITS:

Charitable Deduction	\$5,789.00
Annuity	\$810.00
Tax-free Portion	\$400.95
Ordinary Income	\$409.05

After 10.5 years from the year the payments begin, 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:
 James Greene
 November 1, 2018

8.1% Deferred Gift Annuity

ASSUMPTIONS:

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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.