

Basic Gift Illustrations

## Summary of Benefits

---

### *5.3% Charitable Gift Annuity*

#### **ASSUMPTIONS:**

Annuitant	65
Principal Donated	\$10,000.00
Cost Basis	\$10,000.00
Annuity Rate	5.3%
Payment Schedule	quarterly at end

---

---

#### **BENEFITS:**

<b>Charitable Deduction</b>	<b>\$3,473.70</b>
<b>Annuity</b>	<b>\$530.00</b>
Tax-free Portion	\$328.07
Ordinary Income	\$201.93

After 19.9 years, the entire annuity becomes ordinary income.

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 the timing of the gift.

## Basic Gift Illustrations

**Taxation of Gift Annuity Payments****5.3% Charitable Gift Annuity****ASSUMPTIONS:**

Annuitant	65
Date of Gift	2/1/2009
Principal Donated	\$10,000.00
Cost Basis	\$10,000.00
Annuity Rate	5.3%
Payment Schedule	quarterly at end

**CALCULATIONS:**

Charitable Deduction	\$3,473.70
Number of Payments in First Year	4
Days in First Payment Period (1/1/2009 to 3/31/2009)	90
Days in First Credit Period (2/1/2009 to 3/31/2009)	59
Annuity	\$530.00
Quarterly Payment	\$132.50
First Partial Payment	\$86.86

**BREAKDOWN OF ANNUITY:**

	Tax-free Portion	Ordinary Income	Total Annuity
2009 to 2009	299.82	184.54	484.36
2010 to 2027	328.07	201.93	530.00
2028 to 2028	321.22	208.78	530.00
2029 onward	0.00	530.00	530.00

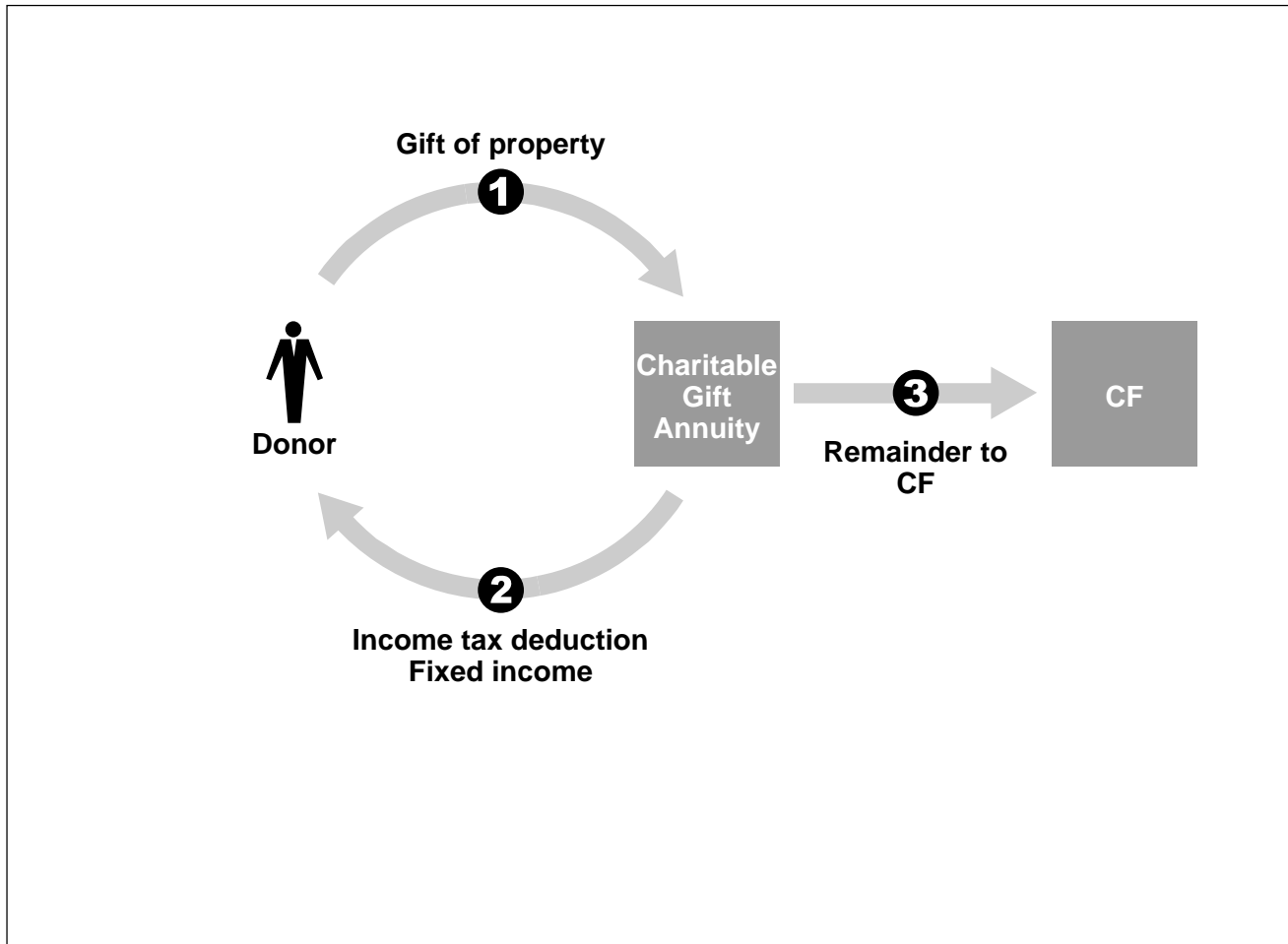
After 19.9 years, the entire annuity becomes ordinary income.

IRS Discount Rate is 3.4%

# Charitable Gift Annuity

DIOCESE OF ROCKFORD  
February 1, 2009

Prepared for:  
**John Doe**



## How it works

- 1** You transfer cash, securities, or other property to CF.
- 2** You receive an income tax deduction and may save capital gains tax.

CF pays a fixed amount each year to you or to anyone you name for life. Typically, a portion of these payments is tax-free.

- 3** When the gift annuity ends, its remaining principal passes to CF.

# DIOCESE OF ROCKFORD

## WHAT IS A CHARITABLE GIFT ANNUITY?

A charitable gift annuity is a simple contract between you and Diocese of Rockford.

In exchange for your irrevocable gift of cash, securities, or other assets, Diocese of Rockford agrees to pay one or two annuitants you name a fixed sum each year for life. The older your designated annuitants are at the time of the gift, the greater the fixed income Diocese of Rockford can agree to pay. In most cases, part of each payment is tax-free, increasing each payment's after-tax value.

Payments may be made annually, semiannually, or quarterly.

## EXAMPLE:

If you irrevocably transfer \$10,000 in cash to Diocese of Rockford in exchange for a \$530 annuity for an annuitant, age 65,

## BENEFITS INCLUDE:

- 1) You will qualify for a federal income tax deduction of approximately \$3,474. 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) Your designated annuitant will receive fixed payments in quarterly installments totaling \$530 each year for life. In addition, \$328.07 of each year's payments will be tax-free for the first 19.9 years.
- 3) Your estate may enjoy reduced probate costs and estate taxes.
- 4) You will provide generous support of Diocese of Rockford.

Prepared for John Doe

February 1, 2009

---

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 the timing of the gift.