

CHARITABLE GIFT ANNUITY

Consider a gift annuity if the following would be of benefit to you:

- receiving guaranteed fixed payments for life
- converting a savings account or other low-yielding assets into lifetime payments
- obtaining a current income tax deduction
- reducing potential capital gains taxes
- minimizing exposure to federal estate taxes and probate costs
- helping the Sisters of St. Francis of Philadelphia
- receive membership in the Mother Francis Society

A Sisters of St. Francis charitable gift annuity is a contract that allows you to make a gift to the Sisters of St. Francis Foundation using cash, appreciated securities, or other assets and guarantees fixed payments to you and/or a loved one for life. Payout rates are based on age and are very attractive for older donors. A portion of your payment will be treated as a tax-free return of principle, and you will receive a charitable income tax deduction for the year of the gift. Once the annuity payments cease, the Sisters of St. Francis Foundation will use your gift for the sisters' ministries or retirement.

Example:

Mrs. Anderson has been supporting the Sisters of St. Francis of Philadelphia for many years through annual gifts. She would like to make a larger gift but feels she may need the income from her assets for future living expenses. After learning about charitable gift annuities, she decides to make a gift of \$50,000. At her age, she will receive annual payments of \$4,000, or 8% of the amount donated, for as long as she lives. In addition, she will be entitled to a charitable income tax deduction for a portion of the amount transferred. But most importantly, Mrs. Anderson is satisfied knowing that she has made a significant gift to support the Sisters of St. Francis' mission of helping the those who are poor. As a result of funding a charitable gift annuity, Mrs. Anderson automatically becomes a member of the Mother Francis Society.

(Representative charitable gift annuity payout rates as suggested by the American Council on Gift Annuities)



COMMON QUESTIONS ABOUT CHARITABLE GIFT ANNUITIES

What is a charitable gift annuity? A charitable gift annuity (CGA) is a formal contract between the Sisters of St. Francis and you. When you initiate a CGA, you make an irrevocable gift to the Sisters of St. Francis Foundation and in turn you are guaranteed to receive a payment stream for the remainder of one or two lives (a spouse).

Who can be an annuitant? You can establish an annuity for yourself and your spouse.

What type of tax deductions may I be entitled to? You may be entitled to income, estate, and gift tax deductions equal to the difference between the value of the asset you transfer and the present value of the annuity payments you may expect to receive over your lifetime. It is recommended that you consult with your tax advisor on specific tax issues.

How is the payment rate determined? Rates are determined by the age of the annuitant(s). The Sisters of St. Francis Foundation follows the annuity rates suggested by the American Council on Gift Annuities, a national tax-exempt association of charitable organizations.

Will my payments change due to stock market fluctuations? No. The payment amount is set permanently when you make the gift and it never changes once payments begin.

How will my payments be taxed? Federal tax law treats a portion of each annuity payment as a tax-free return of principal over the life expectancy of the annuitant(s). The other portion of each payment will be taxed as ordinary income. If the annuity is funded with long-term appreciated securities, a portion of each payment will be considered capital gain.

If I use appreciated securities to fund a CGA, can I avoid capital gains tax? You will avoid capital gains tax on the part of the property that is considered a gift. The rest of the gain will be spread over your life expectancy if you are one of the payment beneficiaries.

Can anyone fund a charitable gift annuity? No, there is a minimum age and at the Sisters of St. Francis Foundation, that age is 70. The minimum amount required to establish a CGA is \$10,000.

What type of paperwork do I need to complete? First, the Sisters of St. Francis Foundation will provide you with a free illustration of a CGA tailored just for you. Once you decide on funding a CGA, the Sisters of St. Francis Foundation will prepare a one-page CGA agreement for your signature.



INCREASE YOUR RETIREMENT INCOME



Listed below are the gift annuity rates of return depending on your age. When you compare our rates with what you might receive from a certificate of deposit, you will be pleasantly surprised. For example, at age 80 with a \$20,000 gift, you would receive an annuity of \$1,600 (quarterly income of \$400 based on an 8 % rate), and a tax deduction of \$10,106. For more information, please return the attached CGA postcard.

Listed below are the one-life rates based on the age of the annuitant.

Age	Rate of Return
70	6.5
71	6.6
72	6.7
73	6.8
74	6.9
75	7.1
76	7.2
77	7.4
78	7.6
79	7.8
80	8.0
81	8.3
82	8.5
83	8.8
84	9.2
85	9.5
86	9.9
87	10.2
88	10.6
89	11.0
90+	11.3