

Charitable Gift Annuities

A charitable gift annuity is both a donation and an investment. You contribute cash to Wycliffe in exchange for Wycliffe's contractual promise to secure a commercial annuity from a high-quality insurance company that will pay you and, if you wish, another annuitant, a fixed amount for life at a rate based on the age(s) of the annuitant(s). This means that you will know up front how much you will receive in return for your gift—if your payment is to be six per cent of a \$20,000 gift, you will receive \$1,200 every year for the rest of your life.

Each annuity payment will be mostly or possibly even entirely tax-free, plus a portion of what you contribute will qualify for a donation receipt.

A Wycliffe charitable gift annuity may be funded with a gift of \$25,000 or more, bringing the benefits of a life-income gift into reach for many donors.

Example:

Rachel McAuliffe, age 75, wants to establish an endowed fund in the names of herself and her late husband. When a GIC paying 5% interest matures, she contributes \$50,000 cash for a gift annuity from which she will receive \$3,550 (i.e., 7.1% of \$50,000) each year for life. Here is how her situation changes:

	Before the Gift	After the Gift
• Payments	\$2,500 (5%)	\$3,550 (7.1%)
• Amount taxable	\$2,500	\$501
• Tax	(\$1,125)	(\$225)
• After-tax	\$1,375	\$3,325
• Donation Receipt	-0-	\$12,500

Her after-tax cash flow more than doubles as a result of the gift, plus her donation receipt will result in substantial tax savings. With the gift annuity, unlike her GIC, she makes an irrevocable commitment of her principal.

Email us or call us at 1-800-463-1143, ext. 291 so that we can assist you through every step of the process.