

**SELECTED EXCERPTS FROM**  
**LIFE INCOME GIFTS**  
***MORE POSSIBLE THAN YOU THOUGHT***

For many years, Martha and Bill Smith have been faithful supporters of [*Name of Charity*], contributing regularly to the annual fund and occasionally to special campaigns. But the Smiths aren't wealthy, and their gifts have always been limited to what they could spare from their disposable income.

***Paragraph #2 is here.***

We hope Bill and Martha Smith are reading this article, because we have good news for them: through a "life income gift," they can provide themselves an income stream for life and simultaneously make a significant gift to [*Charity*]. They'll also realize tax benefits, which may include reduced taxes on income payments, a donation receipt yielding current tax savings, or both.

***Paragraphs #4 & 5 are here.***

Charitable gift annuity payments are often larger than the return from a GIC or other fixed-income investment. For example, if our friends Bill and Martha Smith, both age 75, contribute \$25,000 for a charitable gift annuity, they will receive payments of \$1,618 per year (almost 6.5%), and 76.1 percent of these annual payments will be received tax-free.

***Paragraphs #7,8 & 9 are here.***

The tax benefits of a charitable remainder trust also differ somewhat from those of a gift annuity. At the time of your gift, you are entitled to a donation receipt for the "charitable remainder"-- the value, in today's dollars, of the gift [*Charity*] will receive when the trust ends. Again, the maximum amount of the receipt creditable is 75 percent of your net income, and any excess may be carried forward up to five years.

***Paragraphs #11 & 12 are here.***

Unlike the fixed payments from a gift annuity, the income payments from a charitable remainder trust will fluctuate with the performance of the investments. In any case, the assets transferred to the trust are removed from your probate estate, reducing future probate fees, preserving privacy, and lessening the risk of legal challenges.

***Paragraph #14 is here.***

You receive a donation receipt for the “residual interest”-- the value in today’s dollars of the property [*Charity*] will receive at a future time. As with other gifts, the donation receipt is creditable up to 75 percent of your net income in the gift year, and the excess may be carried forward up to five years. There is no taxable gain on the disposition of a personal residence, so you will have the full benefit of the tax savings allowable during the reporting period.

***Paragraph #16 is here.***

**Realizing the possibilities --**

For further information about any of the life income plans described here, or to request a personal illustration showing how a life income gift could meet your personal and philanthropic goals, please contact . . .

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