



## **The Diocese of Edmonton**

### **Planned Giving Office**

### **Charitable Gift Annuity Gives Twice**

Alice Jones, an 87 year old widow, wants to provide a substantial gift to her parish. Her children have good jobs and their future is assured so neither she nor they are concerned about the size of their inheritance.

Alice donates \$50,000.00 to purchase a Charitable Gift Annuity through the Anglican Church of Canada. A gift annuity—think of it as a pension—is an arrangement by which you make a contribution to the church and receive guaranteed income payments for life. The amount of the payments and the portion of them that is tax-free depend on your age and the amount of the contribution; however, in general, the payments will be higher than you would receive from other guaranteed investments.

Alice receives an immediate tax receipt of \$20,978 and names her parish as the “beneficiary” of the annuity. She can use this tax receipt, either in the year she makes the gift or in the following five years. From the gift annuity, she will also receive an annual income of \$4,985 which is a yield of 9.57 percent. All of the income is received tax free.

So how does the annuity give twice?

As Alice does not need the extra income, she completes the pre-authorized giving paperwork to gift the \$415 per month income stream to her parish, in addition to the amount she had been giving. So she receives the income from the annuity tax-free, and a tax receipt for the extra monthly gift.

The second way in which the annuity gives is that upon Alice’s death most of the original gift principal will be paid to her parish.

If you have questions or want to learn more about this, or any other, type of planned gift, please contact me, in confidence and without obligation, at the following:

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