

GIFT ANNUITY..... THE GIFT THAT GIVES BACK TO THE DONOR

You can acquire a gift annuity for as little as \$5,000. Furthermore, because of the tax benefits, you will usually receive more annual income than you would from a GIC or a bond. It is an ideal planned giving vehicle for older people who would like to leave a gift to TB Vets after they pass away, but also need to receive a steady income during their lifetime.

You may purchase either a “single annuity”, which provides income for you alone as long as you live; or a “joint annuity”, which provides a life-long income for you and your spouse, or a brother and sister. All of some of the annual income is tax exempt, depending on your age at the time you acquire the gift annuity. In addition, donors also receive a one-time charitable tax receipt for a minimum of 20% of the total annuity (the percentage increases the older you are when you acquire the annuity).

Here is an example:

Maggie McPherson (not her real name) is a 78 year old widow living on a fixed income in her own home. She is managing the pay all her expenses along with her charitable contributions to TB Vets, but she would

like additional money for incidentals or extras. After attending a Planned Giving Seminar she discovers the good news of gift annuities – there is a way for her to generate more yearly income for herself now and give a substantial gift to TB Vets after she passes away. After consulting with her financial planner, she decides to acquire a gift annuity for \$20,000. The contract she signs stipulated that the money remaining in the annuity after she passes away will be give to TB Vets. In exchange for her gift, she receives a one-time charitable donation tax receipt for \$7,686 while receiving an annual income of \$1,306 (equals a 6.53% annuity rate, 97% of which is tax-free) for the rest of her life.

Maggie is overjoyed. She is experiencing the double blessing of giving and receiving.

If you are looking for the satisfaction of knowing that your legacy will continue the work and mission of TB Vets, then this charitable strategy might just be for you. For further information, please feel free to contact Rhona Konnelly through the TB Vets office.

Next Issue: “Estate Planning Series Begins”

The information provided above is just one of the many ways you can provide a significant gift to your favourite charity. Please talk with a professional advisor to see what options are best for you.