



## Charitable Gift Annuities

### More income for life

You'd like to make a truly generous gift to Variety's special kids but you depend on your investments for income, and the return can be unpredictable. Also, those investments have to last as long as you do – and who knows how long that will be?

Here's good news! With a charitable gift + annuity, you may be able to make your gift now and also secure a better cash flow at the same time – for as long as you live!

- Receive fixed lifelong payments for yourself or yourself and your spouse that are guaranteed not to change and are largely or entirely tax-free.
- Potentially receive an immediate charitable donation receipt for a portion of the annuity purchase amount depending on your age.
- Your charity receives a significant gift for immediate use or future use.

### The gift that gives back to you

Here's how it works: With a portion of your gift (approximately 75%), Variety – The Children's Charity of Ontario purchases a life annuity for you from a licensed insurance company. The amount of your annuity depends on the general interest rate level, your age and the size of your contribution but the rate will likely be significantly higher than what you are receiving from your present investments. Plus the annuity amount is guaranteed for as long as you live. The annuity payments will continue no matter what happens to the economy or interest rates. If you are married, you may choose a joint and last survivor annuity that continues as long as either you or your spouse lives.

The gift annuity brings you a special bonus at tax time. All or almost all of your annuity payments may be tax-free. Donors over the age of 72 years will receive all annuity payments completely tax-free and donors over age 77 years will also receive a charitable donation receipt for a portion of the contributed amount that will result in immediate tax savings.

To illustrate the financial benefits of the Gift Plus Annuity we are showing you two examples of hypothetical donors and their benefits as of November 2001. Annuity rates fluctuate with the general level of interest rates, which means that whenever interest rates rise or fall, so do the rates paid on annuities.

**Example 1:**

Mrs. Joan Smith who is 75 years old, contributes \$50,000 for a charitable gift + annuity to Variety – The Children’s Charity. A portion of her contribution is used by Variety to enhance our work. Mrs. Smith receives \$3,550 per year in fixed, guaranteed payments for as long as she lives. The entire annuity amount, \$3,550 per year, is tax-free.

**Example 2:**

Mr. Frank Jones, age 72, contributes \$20,000 for a charitable gift + annuity to Variety. A portion of his contribution is used by Variety for its charitable work, the balance for an annuity. Mr. Jones receives \$1,310 per year in fixed, guaranteed payments for as long as he lives. The entire annuity amount, \$1,310 per year, is tax-free.

After Variety pays for the annuity, the balance of your contribution is your gift to Variety. You may specify whether you wish the gift to be available for immediate use or to be invested until it reaches the size of your original contribution. In consultation with Variety representatives, you may also specify which particular program or service your gift will support. Gifts that meet minimum requirements may be used to establish named endowments that continue to provide support in perpetuity. (The above information is supplied courtesy of Dr. Eduard Fidler, CFP)

**For more information in confidence, please contact Fionnuala Donaghy, Manager of Major Gifts at 416-698-4017 or by email at [fdonaghy@varietyontario.ca](mailto:fdonaghy@varietyontario.ca).**