

OFFERING & PLANNED GIVING

CHARITABLE GIFT ANNUITY

A gift annuity provides both a gift to CrossRoads and an income stream to you for your life. A reinsured gift annuity is an arrangement whereby a donor transfers a certain sum to CrossRoads subject to an agreement which authorizes the Church, acting on the donors behalf and working through a life insurance agent, to arrange for a commercial annuity that pays an income stream to the donor. The excess of the amount transferred to CrossRoads over the amount required to purchase the annuity is retained by CrossRoads. The primary tax benefit is not the donation receipt, which will likely be small. Rather, the tax advantage is having payments which are totally or substantially tax free to the donor. Because gift annuity rates tend to be higher than interest rates paid on GICs and other fixed income instruments, and because gift annuity payments are only partially taxed, if at all, the donors cash flow will often increase significantly after contributing assets for a gift annuity.

Example:

Dan, age 70, wants to make a significant donation to CrossRoads, but is concerned about having enough funds to meet his living expenses. He arranges a \$100,000 charitable annuity and receives \$542.00 in monthly income in return. Dan's life expectancy (using Canadian Institute of Actuaries tables) is 15 years, this means that CrossRoads chose to offer him income at an annual rate of 7.1%

Because Dan's expected aggregate annuity payment income will slightly exceed his original donation, he does not qualify for a charitable donation receipt, but the annuity income will be tax free.

The information in this sheet does not constitute legal or financial advice. CrossRoads encourages you to consult with your professional legal, estate planning or financial advisor before deciding on a course of action.

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Benefits

- You receive regular guaranteed payments for life.
- Your income from the annuity is likely to be better than interest from GICs or bonds.
- Annuity payments are substantially tax free (depending upon life expectancy tables provided by federal regulations)
- You receive a donation receipt for the charitable gift portion.

For further information, contact:

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Please note that CrossRoads' legal name is *CrossRoads Evangelical Missionary Church Fellowship*. The church's charitable number is: BN869198200 RR0001.