

CHARITABLE GIFT ANNUITY

*Guarantee
an income
for life.*



You shall take

“You shall take some of the first of all the fruit of the ground...
and you shall put it in a basket and go to the place that the
lord your God will choose as a dwelling for his name.”

—Deuteronomy 26:2



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May the God

“May the God of peace ... make you complete in everything good so that you may do his will.”

—*Hebrews 20:21*

PRIVACY NOTICE

The Episcopal Church Foundation is committed to full legal compliance with respect to protecting the privacy of the information that you have entrusted to us.

We collect nonpublic personal, financial and statistical information about you from the following sources:

- Application or other forms you complete and give to us
- Transactions you make with us, our agents and sub-agents
- Consumer reporting agencies

We do not disclose any nonpublic, personal, financial information about you to anyone, except as required by law.

We restrict access to nonpublic, personal, financial information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal information.

GENERAL INFORMATION

INTRODUCTION

The Episcopal Church Foundation was founded in 1949 by the Presiding Bishop Henry Knox Sherrill. ECF is an independent, lay-led organization that helps congregations and other Episcopal groups develop leadership and financial resources for ministry.

Through its ministry of planned giving, ECF assists Episcopal churches, dioceses, schools and church-related organizations to secure the funds they need to sustain and expand their mission.

A diverse board of directors from across the nation who are prominent lay leaders in their communities govern ECF. ECF offers a pooled income fund, charitable gift annuities, charitable remainder unitrusts, charitable remainder annuity trusts and charitable lead trusts to Episcopalians around the country who wish to use those planned gifts to benefit themselves and their local parishes, dioceses or mission agencies.

The following pages provide you, a prospective donor, with information about ECF's charitable gift annuity program and how you might create one.

DESCRIPTION OF CHARITABLE GIFT ANNUITY

Through a charitable gift annuity you can make a gift to your church, diocese or Episcopal organization and guarantee yourself, or a beneficiary you name, an income for life.

The annuity is a contract between you and the Episcopal Church Foundation which guarantees a fixed payment on your gift, for life. You can fund your annuity with cash or marketable securities.

ADVANTAGES OF A CHARITABLE GIFT ANNUITY

- You receive a guaranteed periodic income that is not affected by the fluctuation of the marketplace.
- You receive an income tax deduction in the year that you establish the annuity for the gift portion of the contract.
- You receive a portion of your annuity income free of federal income taxes.
- You generally are able to prorate any capital gains taxes over the expected life of the annuity payments.
- You are free of concern about money management.

FEATURES OF A CHARITABLE GIFT ANNUITY

- The minimum amount required to establish a charitable gift annuity through the Episcopal Church Foundation is \$5,000.
- The minimum age for an annuitant is 55.
- The expected rate of return depends upon whether one or two people will receive income from the gift and upon the age of the recipient(s). For example, the guaranteed fixed annuity payment is higher for a 75-year-old donor than a 60-year-old donor. The annuity rate is based on those recommended by the American Council on Gift Annuities.
- There are three types of annuity agreements.
 - Single Life:* One person receives payments during his or her lifetime.
 - Two Life (Joint and Survivor):* Two people receive payments. When one person dies, the survivor receives the full amount.
 - Two Life (Successive):* Initial donor receives payments until death when a second named annuitant, if surviving, begins to receive payments until his or her death.
- You have the satisfaction of knowing that a portion of your annuity can benefit your church, diocese and national and international mission work of the Episcopal Church, Episcopal school, Episcopal charity or any agency or organization affiliated with the Episcopal Church at the time of your death.
- You cannot add to a charitable gift annuity, but you can establish an additional annuity agreement at any time.
- The annuity is an irrevocable agreement.

DEFERRED PAYMENT GIFT ANNUITY

- Payments from a gift annuity can be deferred until a later date, which must be more than one year after the date the gift was made.
- The charitable deduction is still taken the year the gift is funded.
- A more favorable payout rate may be possible depending on your age and deferred payout date.
- Additions can be made to a deferred gift annuity up until the time specified for payments to begin.
- Once the payments begin, it is treated as a regular gift annuity with similar tax benefits.

FEDERAL TAX CONSEQUENCES

INCOME TAX DEDUCTION

If you itemize, you are entitled to a charitable deduction in the year you make your gift. The gift portion is generally the difference between the amount of money (or fair market value of long-term securities) transferred to ECF and the value of the annuity. The value of the annuity is calculated using actuarial tables issued by the Treasury.

TAX TREATMENT OF PAYMENTS

A portion of each annuity payment is tax free—also determined by Treasury tables. The entire payment becomes taxable if the annuitant outlives his or her life expectancy. If the annuitant dies before then, any unrecovered investment in the annuity is deductible as an itemized deduction on the annuitant's final income tax return (Form 1040).

CAPITAL GAIN IMPLICATIONS

Capital gain is incurred when a gift annuity is funded with appreciated property, but the gain is not all reportable in the year the gift annuity is made, as it would be if the donor sold the property. It is reported ratably over the donor's life expectancy when the annuity is nonassignable and the donor is an annuitant.

However, if the donor provides an annuity only for another, the gain is reportable in the year of transfer, not ratably. Even so, frequently no out-of-pocket tax need be paid on the gain because it is offset by the charitable contribution deduction.

ESTATE TAX BENEFITS

If an estate would otherwise be subject to federal estate tax, substantial estate tax savings can be achieved. An annuity for the donor's life is completely excludable from the donor's estate.

In a two-life annuity, if the donor is the first annuitant, the donor's estate is not subject to estate tax on the annuity if the second annuitant does not survive. If the second annuitant is a surviving U.S. citizen spouse, no amount is subject to estate tax.

For a two-life annuity in which the second annuitant is not a spouse, only the value of the survivor's annuity—what it would cost to purchase an annuity paying the survivor the same annual amount that was paid to the donor—is includable in the donor's estate. This value is based on the survivor's age at the donor's death. If no gift annuity were purchased, the entire amount used to purchase the annuity would be subject to estate tax.

THE SURVIVOR ANNUITANT'S INCOME TAX BENEFITS

The survivor receives the same amount tax free each year as the donor did. In addition, the survivor gets an itemized income tax deduction spread over

his or her life expectancy for any federal estate tax paid by the donor's estate on the value of the survivor's annuity.

INVESTMENT INFORMATION

Your gift will be commingled or pooled with those of other donors who establish charitable gift annuities with ECF.

ECF maintains gift annuity reserve funds intended to make certain that there are always sufficient resources to satisfy our outstanding annuity obligations. The reserve funds are invested in accordance with the laws of the states in which we offer gift annuities. Amounts in excess of state-mandated annuity reserve funds (surplus) are generally invested in stocks. We will provide information on the investments and values of the gift annuity reserve funds and surplus upon request. ECF's gift annuity reserves and surplus are invested in common investment funds managed by *State Street Bank and Trust Company (State Street)*. Information on management fees is available upon request.

NO SECURITIES REGISTRATION

Common investment funds managed by *State Street* are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). Information in this statement is provided in accordance with the requirements of the Act.

Investment in securities and other assets necessarily involves risk, and it is expected that the values of assets invested in common funds will fluctuate over time. If such values were to decrease significantly, and if the value of ECF's other assets also decreased (or such assets were subject to senior claims), it is possible that ECF would be unable to make the

payments required under your gift annuity. While such a situation is not expected to arise, it is a risk that you should take into account in deciding whether or not to establish a charitable gift annuity.

INDIVIDUAL INFORMATION

The consequences of a charitable gift depend on each donor's particular circumstances.

This general discussion of charitable gift annuities does not address every issue, nor does it take into consideration the type of assets you are contributing in exchange for your charitable gift annuity, the particular terms of your gift annuity, your individual tax situation or your estate and gift planning objectives. Additionally, there are other factors, such as state and local taxes, that may be relevant to your gift. You should consult your tax and estate planning advisors regarding those considerations as well as information about other ways to structure charitable gifts.

If you would like a personalized illustration of a charitable gift annuity, showing estimated annuity payments, the charitable deduction and tax benefits, contact the ECF at (800) 697-2858. For current rates, visit our website at www.EpiscopalFoundation.org.

CHARITABLE GIFT ANNUITY APPLICATION FORM

Episcopal Church Foundation

(Please refer to the Application Form instructions for assistance in completing this form.)

To process your charitable gift annuity, submit forms on pages 7, 8 and 11. You may need to submit optional forms on pages 13, 15 and 17.

1. Donor(s)

Name of Donor	Date of Birth	Social Security Number
Street Address, PO Box, and/or Apartment #		Telephone Number
City	State	Zip Code
Name of Co-Donor		Social Security Number
Street Address, PO Box, and/or Apartment #		Telephone Number
City	State	Zip Code
		Email Address

2. Income Beneficiary(ies)

If income beneficiary(ies) is (are) same as donor(s) above, check here: . If not, supply information below:

Name	Date of Birth	Social Security Number
Street Address, PO Box, and/or Apartment #		Telephone Number
City	State	Zip Code
Name		Social Security Number
Street Address, PO Box, and/or Apartment #		Telephone Number
City	State	Zip Code
		Email Address

3. The Gift: minimum \$5,000

Cash (amount) \$ _____ (Please make check payable to the Episcopal Church Foundation)

Securities (Please describe) _____

Broker Name: _____ Phone Number: _____

Acquisition Date: _____ Cost Basis: _____

4. Payment Sequence (Please check one)

_____ a. Check payable to individual for his/her life.

_____ b. Joint and Survivor

Check payable to [a] and [b] jointly, then one check payable to the survivor.

_____ c. Successive Interests

Check payable to [a] for his/her life, then one check payable to [b] if [a] predeceases [b].

The Foundation’s obligation to make annuity payments will terminate with the payment preceding the surviving annuitant’s death.

5. Payment Options

Make payments (please check one): monthly, quarterly, annually.

If desired, defer payments until this date: _____.

6. Distribution of Charitable Amount

ECF’s guidelines on offering charitable gift annuities require that it receive at least 10% of the remainder because it has pledged its own unrestricted assets against the obligation to make the quarterly payments.

With the death of the last annuitant, please distribute what remains in my account to the following charitable beneficiaries (must add up to 100%):

_____ % to: the Episcopal Church Foundation

_____ % to: _____
Complete mailing address

_____ % to: _____
Complete mailing address

7. Irrevocability

I have read the information statement and other information provided to me by the Episcopal Church Foundation. I understand a charitable gift annuity is irrevocable. I also understand that, because this annuity involves a charitable gift, the annuity payout rate may be lower than rates available with commercial annuities offered by banks and other institutions.

8. Acceptance of this application and its terms will be delineated in a separate “Gift Annuity Agreement,” which will be issued by the Episcopal Church Foundation for execution by the parties.

9. May ECF inform the charitable beneficiary(ies) of your gift? YES NO

May ECF mention the value of your gift? YES NO

Signature of Donor Date

Signature of Co-Donor Date

Please send completed application form and any optional forms to:

Episcopal Church Foundation
475 Riverside Drive, Suite 750
New York, NY 10115
Tel: 800-697-2858 | Fax: 212-297-0142
Email: giving@EpiscopalFoundation.org
Website: www.EpiscopalFoundation.org

How did you hear about ECF’s Planned Giving Services?

- Episcopal Academy & Workshops
- E-newsletter
- Advertisement
- ECF newsletter
- Regional Conference
- Your Diocese/Parish
- Your Financial/Legal Advisor
- ECF Staff
- Website
- Other (please specify) _____

APPLICATION FORM INSTRUCTIONS

CHARITABLE GIFT ANNUITY

Episcopal Church Foundation

1. Donor Information

Enter here the information that describes the current owner(s) of the assets being used to fund the gift annuity.

2. Income Beneficiaries (Annuitants)

In this section, complete the information that identifies the income beneficiary(ies) who will be receiving the annuity payments with their address(es), birthdate(s), and Social Security number(s).

3. The Gift

This section describes how the annuity will be funded.

- a. If your contribution is to be made with cash, enter here the amount of money for which the check will be made out. Make the check payable to the Episcopal Church Foundation and indicate on the memo line that it is for a “Charitable Gift Annuity.”
- b. If your contribution is to be made with securities that have decreased in value since you obtained them, sell them first, take a capital loss for the difference between the purchase and sale price, and write us a check as above.
- c. If your contribution is to be made with securities that have increased in value since you obtained them, you will want to transfer them directly to our financial partner, *State Street Global Advisors*, who will sell them on your behalf (thereby deferring capital gains tax). Please enter in this section the number of shares, the name of the company, the cost basis of the shares if known (an approximate value is acceptable), and the date (or approximate date) of acquisition.
 - i. If you have the actual stock certificate(s), sign and date the Irrevocable Stock and Bond Power form on page 17. Send it and the certificate(s) in separate envelopes to ECF. If the certificate is made out for a larger number of shares than you wish to use to fund your gift annuity, include a cover letter that clearly designates the number of shares you wish to donate. We will arrange to have a new certificate made out by the transfer agent for the remaining number of shares and return it to you. Please also provide ECF with information about the date(s) you acquired the stock(s) and the price(s) paid.

- ii. If you have the stock, bond, or mutual fund shares in “Street Name” (that is, held by a brokerage house in their name but internally accounted for as belonging to your account), please call us at 800-697-2858 for the “Delivery Instructions for Transfer of Securities.”

4. Payment Sequence

Choose the option that applies to your situation.

5. Charitable Beneficiary(ies)

At the death of the last income beneficiary, the principal will be released to ECF and other Episcopal beneficiaries listed here. ECF’s guidelines require that at least 10% of the remainder be designated for ECF itself. This is because ECF has pledged its own unrestricted assets against the obligation to make the quarterly payments.

6. Irrevocability

This section informs the donor of the irrevocability of an annuity.

7. Contract

The donor is told that the terms for the annuity in the application will be prepared and executed in a separate “Gift Annuity Agreement” which will be issued by the Episcopal Church Foundation for execution by the parties.

8. Signatures

Your signature should reflect the name you entered as Donor(s). This will be the name(s) used in the “Gift Annuity Agreement.”

For assistance in completing your application, or if further clarification is required, please contact:

Episcopal Church Foundation
475 Riverside Drive, Suite 750, New York, NY 10115
Tel: 800-697-2858 | Fax: 212-297-0142

DONOR DISCLOSURE FORM

Episcopal Church Foundation

(Please complete and return this form to ECF with your application.)

1. Are family members aware of your charitable gift intentions? YES NO

Next of kin name, address, and phone number: _____

2. Have you consulted with professional advisors about your gift? YES NO

3. Do you have a will that is current in your state? YES NO

4. Is this gift in excess of one-third of your overall net worth? YES NO

Comments:

Donor Signature

Donor Signature

Date

Date

Donor Name—please print

Donor Name—please print

LEGAL COUNSEL ADVISEMENT

Episcopal Church Foundation

(Please complete and return this form, if applicable, to ECF with your application.)

I (We) _____ (and) _____, do hereby acknowledge that I (we) have been advised to seek advice and counsel from professional advisors in all matters pertaining to estate and gift planning, including those related to any gift made through the Episcopal Church Foundation or directly to the Episcopal Church Foundation.

I (we) understand that attorneys retained by the Episcopal Church Foundation represent the interests of the Episcopal Church Foundation and do not represent me (us).

Donor Signature

Donor Signature

Date

Date

Donor Name—please print

Donor Name—please print

AUTHORIZATION FOR DIRECT DEPOSIT OF PAYMENTS

State Street Bank and Trust Company

As a beneficiary of the above-referenced fund, the undersigned hereby authorizes *State Street Bank and Trust Company* to wire, by use of the Automated Clearing House System (ACH), distributions from the fund directly to the bank account listed below. This authorization shall remain in effect until written notice is given to *State Street Bank* by the undersigned.

Signature of Beneficiary: _____ Date: _____

Print Name: _____

Address: _____ Apt/Floor: _____

City: _____ State: _____ Zip: _____

FINANCIAL ORGANIZATION INFORMATION

Name of Bank: _____

Depositor Account Number: _____

Type of Account (check one): Checking: Savings:

Bank Address: _____

City: _____ State: _____ Zip: _____

In order to complete this request, you must include a voided check with an ABA routing number from the account to which your payment will be made.

IRREVOCABLE STOCK OR BOND POWER

Episcopal Church Foundation

To be completed by *State Street Bank and Trust Company*

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to _____

**IF STOCK,
COMPLETE
THIS
PORTION**

_____ shares of the _____ stock of _____

represented by Certificate(s) No(s). _____
_____ inclusive, standing in the name of the
undersigned on the books of said Company.

**IF BONDS,
COMPLETE
THIS
PORTION**

_____ bonds of _____

in the principal amount of \$ _____, No(s). _____
_____ inclusive, standing in the name of the undersigned on the books of
said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____
attorney to transfer the said stock(s) or bond(s), as the case may be, on the books of said Company, with full power of sub-
stitution in the premises.

To be signed by the donor(s).

Dated _____

IMPORTANT—READ CAREFULLY

The signature(s) to this Power must correspond
with the name(s) as written upon the face of the
certificate(s) or bond(s) in every particular without
alteration or enlargement or change whatever.
(Person(s) executing this Power sign(s) here.)

X _____

X _____

RESOURCES AVAILABLE

BROCHURES

- *Planned Giving (overview)*
- *Charitable Gift Annuity*
- *Charitable Remainder Trust*
- *Pooled Income Fund*
- *Writing Your Will*

BOOKLETS

- *Planned Giving (overview)*
- *Charitable Gift Annuity*
- *Charitable Remainder Trust*
- *Pooled Income Fund*
- *Writing Your Will*



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