



## Charitable Gift Annuity Information Sheet

### Overview

You have savings and investments, but interest rates fluctuate and sometimes your month-to-month income doesn't keep pace with rising costs. Your investments have to last your lifetime, yet you also want to give generously to your favourite charities. With a charitable gift annuity, you can make a generous gift to Armagh *and* improve your cash flow at the same time.

A charitable gift annuity is an irrevocable gift to a charity like Armagh in return for which you receive a guaranteed, regular annual income for life. There are two types:

- A self-insured annuity, where the balance remaining from the original principal of the annuity is used to support the work of Armagh following your death, or in the case of a joint agreement, the death of the surviving annuitant.
- A reinsured charitable gift annuity, where Armagh purchases a gift plus annuity on your behalf through a life insurance company. The charitable gift portion of the annuity can be used immediately to support Armagh's work.

To qualify as a charitable gift annuity, a minimum of 20% of the principal amount of the annuity must be a charitable gift.

Although the rate of return on your annuity depends on your age, it is usually higher than the interest you receive on GICs (Guaranteed Investment Certificates). Charitable gift annuities are best suited to persons 65 years of age or older.

The following information can help you decide if donating a gift annuity to Armagh is right for you.

### Benefits from an Annuity

- Guaranteed income for life
- Income that is all or mostly tax-free (depending on your age when you purchase the annuity)
- A safe, guaranteed investment
- A donation that can't be contested, because it's not part of your estate
- Armagh receives the portion of the annuity remaining after your death

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## **Income for Life**

By buying a gift annuity, you can count on receiving exactly the same payments from Armagh at an agreed upon frequency. The amount is guaranteed never to change.

The specific amount you'll receive depends on your age and the size of your gift annuity. You can decide how often you'll receive your payments: monthly, quarterly, or semi-annually. Choosing semi-annual payments gives a slightly higher rate of return and therefore an increased payment to you. You can also choose to defer the income from your annuity until an age when it provides you with a greater tax benefit.

Once your payments begin, they will continue for as long as you live. If you are married, you may choose a joint-and-survivorship annuity that continues as long as either spouse lives.

## **Independent Counsel**

Armagh will provide you with information and assistance to purchase a charitable gift annuity. However, the ultimate responsibility regarding evaluations, tax deductibility, and/or similar legal local, provincial or federal compliance issues rests with you and/or your counsel.

All donors are encouraged to seek independent financial and legal counsel when executing wills, trusts, contracts and other agreements.

## **Contact Information**

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