

PLANNING YOUR LEGACY Gift Annuities

A gift annuity enables you to provide a gift to a charity while you receive guaranteed payments during your lifetime. While the annuity rates will be determined by your age and the prevailing interest rates, they will generally be competitive with the return you would receive if you invested the gifted assets. You will receive a significant portion of the annuity payments tax-free. While older donors will receive payments that are completely tax-free, all donors are entitled to a charitable donation receipt that will result in a tax credit.

The Leprosy Mission Canada* reinsures annuities, which means that we will use part of your gift to purchase an annuity from a licensed insurance company. The insurance company will pay you a guaranteed amount that has been determined by you and The Leprosy Mission Canada*. The remaining portion of your gift, once the annuity has been purchased, will be retained by The Leprosy Mission Canada* for their current use or to accumulate for an endowment, as you may direct.

To Illustrate: A widow, age 78, contributes \$10,000 for an annuity to The Leprosy Mission Canada*. The Leprosy Mission Canada* will retain \$2,500 and the remaining \$7,500 will be used to purchase an annuity. The widow will receive a lifetime annuity of almost \$800 each year (assuming a return of 8%), of which 92% will be paid to her tax-free. She will also be entitled to a charitable donation receipt for \$2,500.

