

Charitable Gift Plus Annuity

How you can give

A Charitable Gift Plus Annuity is a financially prudent way of fighting poverty housing while taking care of your own financial needs. In return for making a gift to Habitat for Humanity Toronto, you receive a guaranteed income for life.

To establish a Charitable Gift Plus Annuity with Habitat for Humanity Toronto, you provide us with an irrevocable gift of cash or securities. A portion of your donation, approximately 25 per cent, is immediately put toward programs that build homes and bring hope to children and families in need. You can either designate the programs that you want to support, or ask Habitat to use your gift where the need is greatest at that time.

The majority of the capital is used to establish an annuity for you. The annuity can also be established as a joint plan, in which case you receive payments during your lifetime and then, after your death, your spouse receives the same payments for the rest of his or her life. In situations where a joint plan is preferred, the interest rate received is often slightly lower.

Besides competitive payments at a rate which often exceeds that of other investments, including GICs, you can receive a number of tax benefits and save your estate probate fees it might otherwise have to pay. Your investment and income are guaranteed through a leading insurance company.

A Charitable Gift Plus Annuity may be established for as little as \$10,000, and is most effective if you are 65 years of age or older.

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Benefits to you

- You receive a fixed income for life, often at a higher rate of interest than other investments, including GICs
- Depending on your age, a portion or all of the income is tax-free
- You'll enjoy a safe investment that is guaranteed by a major insurance company
- A portion of the gift is used immediately to help the work of Habitat, providing an immediate tax receipt for you
- A gift of annuity frees you from investment and management worries
- The full amount of the gift will not be subject to probate taxes as part of your estate

Benefits to Habitat and the people you help

- A portion of your gift goes to work immediately to help people in need
- A Charitable Gift Plus Annuity is often a generous donation that can have a significant impact on our ability to help those in need

EXAMPLE*: A 75-year-old man who invests \$25,000 in a Gift Plus Annuity will receive an income of \$2,125 per year for life, of which **\$1,651.13 will be tax-free**. In addition, \$6,250 of the initial capital will be an immediate gift to Habitat for Humanity Toronto to help needy children and families. He will receive a donation receipt for the \$6,250, which can be used to offset other taxes.

EXAMPLE*: An older married couple (he is 78, she is 77) decides to invest \$10,000 in a Gift Plus Annuity. At a rate of return of just over 7 per cent, they would receive an income of \$701 per year for life. Of that, \$596 would be tax-free. They would also receive a tax receipt for \$2,000. Not least of all, they would have the gratification of knowing that a portion of their gift had gone to help impoverished children and families improve their lives.

**Based on 2007 interest rates. Amounts are subject to change.*

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