

## **Gift Annuity Disclosure Statement**

### **Description of a Gift Annuity**

A gift annuity is a simple contract between the donor(s) and The Archdiocese of New York (hereinafter "The Archdiocese of New York"). In exchange for the donor's(s') contribution, The Archdiocese of New York promises to make fixed, guaranteed payments for life to one or two annuitants (usually, but not necessarily, the donor(s)). The amount paid is based on the age of the annuitant(s), in accordance with The Archdiocese of New York's rate schedule.

### **Not a Commercial Investment**

The act of establishing a gift annuity with The Archdiocese of New York is not, and should not be viewed as, an investment. Rather, it is a way to receive annuity payments while making a charitable donation. In this respect, a gift annuity issued by The Archdiocese of New York is different from a commercial annuity. However, the fact that you are making a charitable gift may provide you with tax benefits, including a current federal income tax charitable deduction (if you itemize your deductions), annuity payments which are partially tax-free, and future estate tax savings.

### **Gift Annuity Rates**

Generally, the gift annuity rates paid by The Archdiocese of New York are those suggested by the American Council on Gift Annuities, which is a national organization of charities that has been in existence since 1927. These rates have been calculated so as to provide attractive payments to the donor and/or other annuitant(s) and also to result in a significant portion of the contribution remaining for the charity. Because a charitable gift is involved, the rates are lower than those available through commercial annuities offered by insurance companies and other financial institutions.

### **Assets Backing Annuity**

The annuity payments are a general obligation of The Archdiocese of New York, and they are backed by all of our assets (subject to security interests). On January 30, 2004 our total invested funds exceeded \$5,000,000, and they are invested in money market funds, bonds, stocks. We also maintain a gift annuity reserve fund valued at more than \$1,000,000 that is invested in accordance with the laws of the states in which we offer gift annuities. Assets received by The Archdiocese of New York for gift annuities are managed by The Bank of New York, in a conservative and disciplined manner. If The Archdiocese of New York should ever fail financially, individuals entitled to receive annuities will qualify as general creditors of The Archdiocese of New York.

Responsibility for governing The Archdiocese of New York, which was established in 1808, is vested in a Board of Trustees comprised of three persons: The Archbishop of New York; the Vicar General of the Archdiocese of New York; and the Chancellor of the Archdiocese of New York, who are *ex officio*. Common investment funds managed by our organization 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 letter is provided to you in accordance with the requirements of that Act.

### **Points to Remember**

- ❑ A contribution for a gift annuity is irrevocable. The principal you contribute cannot be returned to you.
- ❑ The right to annuity payments may not be assigned to any person or organization, other than The Archdiocese of New York.
- ❑ The gift date is the date when you actually transfer assets. In the case of cash, it is the date you mail or deliver a check. In the case of an electronic transfer of securities, it is the date they are received into the account of The Archdiocese of New York. If you have certificates, it is the date they are properly endorsed and mailed or delivered.
- ❑ The gift annuity is governed by applicable state laws.

### **For More Information**

This disclosure statement is intended to provide basic information regarding the gift annuities issued by The Archdiocese of New York. If you have additional questions concerning The Archdiocese of New York's gift annuity program, please call or write Mary Ellen Spiegel, CFP, Director, Gift Planning, Archdiocese of New York, 1011 First Avenue, New York, NY 10022.