

The LEGACY Report

AN ENDURING PROMISE

AFTER ALMOST A YEAR AS A PATIENT AT ENGLEWOOD HOSPITAL, RUTH EVANS WAS QUITE FAMILIAR WITH THE SUPERIOR LEVEL OF CARE THE HOSPITAL PROVIDED. FROM HER ARRIVAL AT THE EMERGENCY DEPARTMENT IN NOVEMBER 1995 TO HER DISCHARGE THE FOLLOWING OCTOBER, RUTH WAS TREATED FOR SEVERAL LIFE-THREATENING CONDITIONS.



Hugh E. Evans, M.D.

The gratitude she and her husband, Hugh E. Evans, M.D., felt toward her caregivers would shape an inspiring legacy of compassion and generosity.

“When Ruth was discharged from the hospital, we talked about how fortunate we were to have had comprehensive health insurance that covered the cost of the outstanding medical care she received. Donating to Englewood was the least we could do to thank the hospital and to help ensure that the same excellent services would be available to others,” Hugh says.

The couple initially expressed their appreciation for Englewood Hospital

through regular annual contributions, which have continued even after Ruth’s death in March of 1999. Hugh, however, knows the importance of preparing for the future and has made certain to engage in prudent estate planning as well.

The charitable gift annuity Hugh established with the hospital in 2006 has become a crucial component of his gift planning and another opportunity to honor his beloved wife. In establishing the annuity, he entered into an agreement with the EHMC Foundation whereby he will receive fixed payments for life.

Charitable gift annuities make it possible for individuals to make sizeable donations during their lifetimes to causes that are important to them, while also providing for their own financial well-being and that of their loved ones. Please call Nila Lazarus in the EHMC Foundation at (201) 894-3912 to learn more about the benefits of charitable gift annuities to you and Englewood Hospital. ■

CONSIDER SOME CREATIVE USES FOR GIFT ANNUITIES

A CHARITABLE GIFT ANNUITY IS A TYPE OF CHARITABLE GIFT THAT GENERATES FIXED PAYMENTS TO YOU FOR LIFE WHILE ENSURING A SIGNIFICANT GIFT TO ENGLEWOOD HOSPITAL AFTER YOUR LIFETIME.

A charitable gift annuity offers you an unusual opportunity to make a significant contribution to us while realizing valuable personal benefits:

- Fixed payments for life for up to two individuals
- Partially income tax-free payments because part of each payment is treated as a return of principal
- A substantial income tax deduction if you itemize your taxes in the year of the gift

- The avoidance of up-front capital gains tax on a gift of appreciated securities

A charitable gift annuity can be funded with cash, stocks, bonds or other property; in exchange, the charitable organization makes payments to you or you and one other individual.

Example: Karen, 70, establishes a \$35,000 charitable gift annuity as a gift to us with an annual annuity rate of 5.7 percent. For her gift, Karen recognizes a \$12,403* charitable

tax deduction in the year of the gift. Each year, she will receive \$1,995 in annuity payments, of which \$1,420 is tax-free for the first 15.9 years, her projected life expectancy.

The payment amount is based on the annuity recipient's age at the time of the gift and is locked in at the time of the gift. See the related annuity rate schedules for single-life or two-life annuities in the accompanying tables (*below left*), as well as rate information for deferred charitable gift annuities (*Page 4*).

Following are three creative uses for gift annuities:

Bring Your Generosity Home: In most states you can generate gift annuity payments by giving the remainder interest in your home in exchange for a gift annuity. You use the remainder interest to fund a gift annuity, which will provide you a fixed stream of payments. As a result of your gift, you are able to continue living in your home and receive payments for life.

Multiple Gifts: Whereas a typical minimum charitable trust gift is \$200,000 or more, the typical minimum gift annuity contribution is closer to \$10,000. As a result, you could make multiple smaller gifts over the years—as well as to other beneficiaries, such as children.

For example, over a three-year period, you can set up three annuities and provide payments to three individuals. The gift will be significant and you will avoid paying any gift taxes if the taxable gift amount is \$13,000 or less, all while helping others.

Tangible Personal Property: Using tangible property in a life income trust can sometimes be problematic, but it may be an appropriate asset to fund a gift annuity.

*Assumes quarterly payments and a 2.4 percent charitable midterm federal rate

Maximum Suggested Charitable Gift Annuity Rates

ONE LIFE		TWO LIVES	
AGE	RATE	AGES	RATE
50	4.4%	50/55	3.9%
55	4.8%	55/60	4.4%
60	5.0%	60/65	4.8%
65	5.3%	65/70	5.0%
70	5.7%	70/75	5.3%
75	6.3%	75/80	5.8%
80	7.1%	80/85	6.5%
85	8.1%	85/90	7.5%
90+	9.5%	90/95+	9.0%

Rates confirmed as of February 2009 • American Council on Gift Annuities • All age rates available at www.acga-web.org

Tangible personal property includes artwork, books, rugs—anything you can put your hands on. The charitable organization is obligated to make payments, but one of the distinguishing legal characteristics of a gift annuity is that the organization cannot restrict your payments to only come from the remainder of the donated asset.

If Englewood Hospital will use the asset in a way related to our tax-exempt purpose—a related-use gift—you are entitled to a deduction based in part on the fair market value of the gift. If we cannot use the donated asset, the deduction is derived in part from the lower of your cost basis or its fair market value.

How a Gift Benefits Two

Jerry, 70, and his wife, Jill, 65, established a \$75,000 two-life charitable gift annuity as a gift to us. We suggested a maximum annuity rate of 5.0 percent based on the couple's ages. We will pay them \$3,750 per year for the remainder of each spouse's life.

Assuming they itemize deductions on their income tax return for the year of their gift, they will receive an immediate charitable deduction of \$15,500, based on a 2.4 percent charitable midterm federal rate and quarterly payments. Unlike an outright gift, the \$75,000 donation is not fully tax-deductible. Plus, part of each payment is not taxable, thereby increasing the effective yield of their annuity.

Summary of Benefits

- Jerry and Jill receive a charitable deduction of \$15,500, which in their 33 percent tax bracket generates a tax savings of \$5,115.

- Of the \$3,750 annual annuity payment, \$2,588 is considered tax-free return of principal for their life expectancy of 23 years. Then the entire annuity payment is taxed as ordinary income.
- The actual out-of-pocket cost of the gift is \$69,885, which brings their effective rate of return up to 5.4 percent.
- Jerry and Jill have the satisfaction of making a generous gift—and setting a philanthropic example for others to follow.

Contact Nila Lazarus at the EHMC Foundation at (201) 894-3912 for additional information or a confidential calculation. ■

Please note: Charitable gift annuities are not available in all states.

You Have Questions We Have Answers

To receive your **FREE** copy of *The Charitable Gift Annuity: Answers to Frequently Asked Questions*, all you need to do is complete and return the enclosed reply card.

THE CHARITABLE GIFT
ANNUITY

ANSWERS TO
FREQUENTLY
ASKED
QUESTIONS



A gift annuity is easy to make and provides generous payments while allowing you to make a significant charitable gift. Call us to see how we can make this gift work for you.

GIVE NOW AND RECEIVE INCOME WHEN YOU NEED IT MOST

YOU MAY BE IN A FINANCIAL POSITION TO SUPPORT ENGLEWOOD HOSPITAL NOW BUT WOULD LIKE TO POSTPONE A STREAM OF ANNUITY PAYMENTS UNTIL YOUR LATER YEARS. THE DEFERRED CHARITABLE GIFT ANNUITY ACCOMPLISHES BOTH.

By using the deferred gift approach, you can make a significant gift to us now and benefit from the charitable tax deduction that accompanies the gift in the year you make the donation. That may help your current tax situation. Yet, through the deferred arrangement you have also

assured yourself of a steady, fixed payment schedule for years from now. This works well for people nearing retirement in a higher income tax bracket, where a large deduction now is welcome but retirement income is not yet necessary.

You can even arrange for a survivor to receive payments once you are gone. Married couples find this especially advantageous. Generally, the older you are and the longer the deferral period, the higher the fixed annual rate of payments (see the accompanying table).

A deferred gift annuity promises fixed and attractive payments during retirement with no investment worries or responsibilities. It also enables you to make a special and enduring gift to strengthen our good work while you have adequate earnings to support our needs.

Please contact Nila Lazarus, Manager of Major Gifts & Planned Giving, at (201) 894-3912 or nila.lazarus@ehmc.com to review the financial benefits of a deferred charitable gift annuity. ■

One-Life Deferred Gift Annuity Schedule

BEGIN AGE/ PAYMENT AGE	ANNUITY RATE	TERM TO FIRST PAYMENT
55/60	6.1%	5-year
55/65	8.0%	10-year
55/70	10.5%	15-year
55/75	14.3%	20-year

Rates confirmed as of February 2009 • American Council on Gift Annuities

Call us to set up a confidential appointment to discuss how a charitable gift annuity can secure your future and brighten ours.

SHOWING OUR APPRECIATION

Planned gifts provide a lasting legacy and advance the mission of Englewood Hospital and Medical Center. The Legacy Society was created to honor donors whose vision and generosity enable us to continue providing the highest quality patient care.

You may qualify for membership through a variety of planned giving options, including:

- >> Bequests.
- >> Gifts of retirement plan assets.
- >> Life insurance designations.
- >> Charitable gift annuities, which provide income payments to you for life.

Legacy Society membership benefits include:

- >> Complimentary hospital parking for you and your family.
- >> Complimentary annual flu shot.
- >> Invitations to Physician Leadership receptions.
- >> Personal assistance with your charitable and estate planning questions.
- >> Recognition in the Medical Center's annual report.

Join Today

Become a member of the Legacy Society at Englewood Hospital simply by notifying us of your charitable gift intention. Contact Nila Lazarus, Manager of Major Gifts & Planned Giving, at (201) 894-3912 or nila.lazarus@ehmc.com.

THE CHARITABLE GIFT
ANNUITY

ANSWERS TO FREQUENTLY ASKED QUESTIONS



ENGLEWOOD
HOSPITAL AND MEDICAL CENTER FOUNDATION

Legacy Society

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Place
Stamp
Here

ENGLEWOOD HOSPITAL AND MEDICAL CENTER FOUNDATION
350 ENGLE STREET
ENGLEWOOD NJ 07631-1808

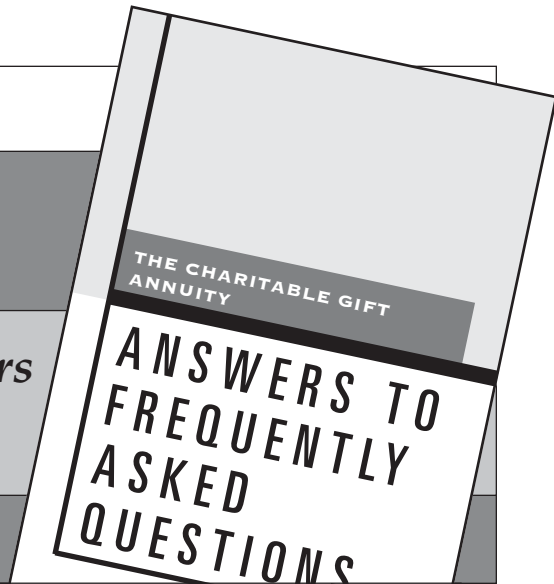


Yes! I'd Like More Information.

Please send me the

FREE GUIDE

*The Charitable Gift Annuity: Answers
to Frequently Asked Questions.*



Please fold and tape shut. No staples.

I would like a personal illustration of how a charitable gift annuity would benefit me. Use the amount checked below for my illustration:

\$50,000 \$25,000 \$10,000 \$5,000

I would like to receive my payments:

quarterly semiannually annually

Please prepare a proposal for:

me; my birth date is _____.

Please include a second individual whose birth date is _____.

PLEASE PRINT.

Name

Telephone

E-mail

Address

City, State ZIP

D17-B

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ENGLEWOOD
HOSPITAL AND MEDICAL CENTER FOUNDATION

Legacy Society

350 Engle Street | Englewood, NJ 07631

*Inside: Learn how you can become
a member of our Legacy Society.*