

# The Guardian

Estate and Gift Planning Ideas • Fall 2012



## In This Issue...

- **Give and Get Back** for yourself, aging parents, or a grandchild
- Trevor's story

## We Call it "Therapy." Kids Call it Fun!

Research has shown that the use of art therapy in a hospital setting can reduce negative emotions, fear surrounding medical procedures, and symptoms of pain, anxiety, and distress. In 1978, Children's National Medical Center created one of the nation's first arts and healing programs designed specifically for children in a health environment. The program has become a model for other programs across the country.

**Creative and Therapeutic Arts Services** helps our patients transcend the hospital experience by bringing visual, literary, and performing arts to them at bedside and in the Main Atrium. These activities encourage continued learning, promote wellness through self-expression, and speed the healing process.

Art work created by patients is displayed throughout the hospital, as well as featured in our *Young Expressions* newsletter written by and distributed to patients.

Understanding the special bond between children and pets, we also partner with a local dog training organization for monthly visits at the hospital. The dogs perform obedience skills, tricks with hoops and skateboards, and even do a little "doggie dance" in our Atrium before heading up to bring a little extra comfort to the children.

Art and pet therapies give thousands of young patients at Children's National a sense of control, empowerment and a creative emotional outlet during this difficult time in their lives.

Visit us on the web at:

[WWW.CHILDRENSNATIONAL.ORG/GIFTPLANNING](http://WWW.CHILDRENSNATIONAL.ORG/GIFTPLANNING)



# Give and Get Back

The purpose of any charitable gift to Children's National is to support our mission of excellent pediatric health care, cutting-edge research, and training for tomorrow's health care professionals. When you make a gift to Children's National, **you can receive fixed annual payments for the rest of your life!** This way of giving, called a Charitable Gift Annuity (different from a commercial annuity with a financial institution), is a great option for people with different goals. At the end of the contract, the remaining funds will support our programs. Following are four examples of how you can use annual payments received from a charitable gift annuity.

## 1. Lifetime Payments for Yourself

All her life, Rose, age 80, has been a wise planner and saver. She's now in a position to support Children's National with a memorial gift to honor her husband. Earlier this year, Rose worked with a financial advisor to review her retirement plan and consider her options.

Rose decides to take \$50,000 invested in a CD to set up a charitable gift annuity with us. We contractually agree to pay Rose \$3,400 every year for as long as she lives. This year Rose is able to claim an income tax charitable deduction of \$23,446 that can lower her taxes. At the end of the contract, the remaining funds will support our work.



## Charitable Gift Annuity Payment Rates & Amounts

Age	Rate (1)	Annual Payment to You (2)
70	5.1%	\$1,020
75	5.8%	\$1,160
80	6.8%	\$1,360
85	7.8%	\$1,560
90	9.0%	\$1,800

1. American Council on Gift Annuities rates as of October 2012.
2. Annual payment to you based on a \$20,000 gift to Children's National.

For Rose, a charitable gift annuity is a reliable source of yearly payments and a substantial charitable gift to Children's National.

## 2. Income to Aging Parents

As a member of the "sandwich" generation, Gail faces the difficult task of caring for children at the same time she is providing support to her aging parents. Her parents do not want to take money from their daughter. So, Gail sets up a two-life charitable gift annuity with us that provides fixed annual payments to her parents now. At the end of the contract, the remaining funds will support Children's National. This gives Gail both piece of mind and an income tax charitable deduction.

## 3. Retirement Planning

Dr. James will reach the annual contribution limit for his qualified retirement plan this year and wants additional

## Charitable Gift Annuity Highlights

<b>INCOME</b>	Fixed annual payments for life for one or two people.
<b>TAX DEDUCTION</b>	Current income tax charitable deduction available in the year of the gift.
<b>FLEXIBILITY</b>	Fund with cash or securities. Payments can begin now or later.
<b>ACCESSIBLE</b>	Easy to set up. Low minimum funding amount. No ongoing renewal requirements or maintenance. Set up a gift annuity each year to create ladder payments. No maximum gift amount limit.
<b>RELIABILITY</b>	Payments continue for your lifetime— <b>you cannot outlive the payments.</b>



income to prepare for retirement. At age 60, he anticipates retiring in another five to ten years and wants to take advantage of opportunities available during his income-earning years.

Dr. James heard about the deferred charitable gift annuity. It works just like a regular charitable gift annuity except that the first annual payment begins one year or more after the gift is made, resulting in a higher annual payment *and* a higher income tax deduction.

Dr. James makes a gift of stock valued at \$50,000 and arranges the payments to begin in exactly 10 years. This year, he can claim an income tax charitable deduction of \$15,068. In 10 years, he will begin receiving \$3,350 every year for the rest of his life. At the end of the contract, the remaining funds will support our programs.

### 4. College Tuition for a Child or Grandchild

A deferred gift annuity may also provide payments over a four or five year period that coincides with a student's college tuition needs (not available in New York). This special arrangement is typically established by a grandparent who wants to provide college help for a young grandchild.

John and Ellen have four young grandchildren. During an estate planning review, their advisor mentions that they could provide a meaningful gift to each grandchild and support the work of Children's National through a charitable gift annuity. A separate deferred gift annuity for each grandchild would make it possible to help with college expenses during the time each child is enrolled in college. And John and Ellen would also support the ongoing work of Children's National and receive tax advantages through their charitable gift.

It's important to know the details when considering a deferred gift annuity for college funding, and there are important rules to consider. We are happy to provide a personalized illustration to show the benefits of this special gift option.

\* All examples are for illustrative purposes and based on an AFR of 1.2% and an annual payment.





*The  
Guardian  
Society*

recognizes the very special people who have included Children's Hospital Foundation in their wills and other estate gifts. Through their forethought and generosity, they will help to ensure world-class care, advocacy, research, and education at Children's National through a lasting legacy.

To learn more about making a legacy gift and how to become a member of The Guardian Society, please visit our website or contact Rita Corwin.

**Our Tax ID is #52-1640402.**



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## Trevor's Story

"In July 2011, our 5-month-old, Trevor, just began screaming. We had never heard him scream like this before.

"He began vomiting and we took him to the local emergency room where they diagnosed a stomach virus and prescribed medicine to treat the nausea. When he awoke the next morning he started to get sick again and we took him back to the hospital. This time, the emergency room staff decided to get a head CT scan and x-rays. The CT scan revealed a large bleeding mass in Trevor's brain.



"They sent him in a helicopter to Children's National Medical Center.

"At Children's National, more tests were done and the neurosurgeon confirmed that Trevor's brain tumor was about the size of a tennis ball and took up about one-fourth of his brain. Even worse, we soon learned that the tumor was cancerous.

"Two days later, surgery was performed and the entire tumor was successfully removed. Trevor stayed at Children's National for two weeks and our family lived there for that time. The entire staff was fantastic. The nurses always included me in their care of Trevor and the staff took care of more than just my baby; they took care of our entire family.

"Trevor went through chemotherapy for the next six months and finished his treatment in January 2012, a few weeks before his first birthday. Today, we are happy to get back to our routine and watch our baby grow into a little boy."

Trevor's mom, Jillian

### To Learn More

If you're interested in more information about charitable gift annuities and how they can help you while also helping Children's National, please call or e-mail us directly to request our complimentary brochure, *Planning with Gift Annuities*. It would be our pleasure to help you determine whether a charitable gift annuity is a good match for your situation.

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