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Margaret Phillips, RN/NNP, member of  
The Guardian Society

## A Lifelong Connection to Children's National

Over 45 years ago, Margaret Phillips, a trained nurse practitioner, read a newspaper ad for a nurse who could work in the Neonatology Intensive Care Unit, or NICU. "At the time, the NICU was a fairly new concept," she says. "I applied for the job and got it."

Later, Margaret and her husband Robert moved to Maryland and she began working in Children's National's NICU. Over the next 28 years Margaret watched as neonatology and fetal medicine flourished. "I feel like I've lived the history of the field," she says. "When I began, we lacked the technology to save babies born under three pounds. Today, babies as little as two pounds have a good chance of survival thanks to medical progress and philanthropic investment."

Now retired, the Phillipses make a point to give back. Last year, they generously completed a Charitable Gift Annuity. "I've always been healthcare-oriented," says Robert, who earned a PhD in health physics, helped develop the standards used in pediatric imaging, and spent 32 years at the Food and Drug Administration.

Inspired by his wife's work, Robert believes their donation is critical to advancing the cutting-edge research that will continually help revolutionize care for babies. "We, as a society, spend a lot of money on advanced treatment that would not be as necessary with accessible medical care earlier on. And supporting Children's National gives sick children a better chance at life."

Margaret reflects often on her nursing days at Children's National and has a lot of memories that remind her why their donation is so important. "One day," she says, "a handsome 17-year-old boy walked in with his mother. I remembered the last time I had seen him as a terribly sick baby. And now he was thriving." Margaret smiles and adds, "This is the joy in neonatology. Because of the care delivered at Children's National, kids can go on to lead happy, normal lives."



## Part Gift, Part Income, Total Satisfaction

A **Charitable Gift Annuity** combines valuable features with important flexibility. A gift annuity lets you support Children's National while providing fixed income for retirement, for aging parents, or for a grandchild's college tuition. This can be a smart way to meet both philanthropic goals and personal planning needs.

### How the Charitable Gift Annuity Works

A charitable gift annuity is unique because the gift creates an exchange. We contractually agree to pay a lifetime of fixed payments to you (and/or someone else you designate) in exchange for your gift to support our mission of providing excellent pediatric health care. The annuity payment amount depends on the age of the person(s) receiving the payment (higher ages are eligible for higher payment rates), the amount of your gift to Children's National, and when the lifetime payments begin. A portion of the fixed payments is tax-free. You will receive a tax deduction in the year you make the gift. At the end of the contract, we receive the remaining funds to help save young lives.

### The Flexibility of the Charitable Gift Annuity

#### A retirement planning tool

Deferring your payments is an attractive option if you are still in the midst of a career and want to begin retirement planning. It's a way to give now, enjoy an income tax deduction, and receive a reliable fixed income during retirement. Deferring payments results in a higher payment amount and a larger tax deduction than starting payments immediately.\*

| Payments Begin                  | Annuity Rate | Annual Payment | Tax-Free Portion | Tax Deduction |
|---------------------------------|--------------|----------------|------------------|---------------|
| December 2014 (current)         | 5.8%         | \$1,450        | \$1,135          | \$11,369      |
| December 2019 (5-year deferral) | 8.0%         | \$2,000        | \$1,122          | \$14,573      |

#### Income for others

If two people are covered under the gift annuity, payments continue as long as either one of them is alive. Whether you create the annuity for your parents or someone else, you still benefit from the tax deduction.\*

| Immediate Gift Annuity for | Annuity Rate | Annual Payment | Tax-Free Portion | Tax Deduction |
|----------------------------|--------------|----------------|------------------|---------------|
| One Person                 | 5.8%         | \$1,450        | \$1,135          | \$11,369      |
| Two People                 | 5.0%         | \$1,250        | \$ 949           | \$ 9,526      |

#### College tuition assistance

A deferred gift annuity may also provide payments over a four-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 help for a grandchild.

#### Additional flexibility

In all of these scenarios, you may select a lower annuity rate, which results in a lower payment amount. This option leaves more money for Children's National at the end of the contract and, consequently, you will receive a larger tax deduction in the year you make the gift.



**Guardian Society Members Robert and Margaret Phillips in Provence, France.**

\*Examples for illustrative purposes, based on a cash gift of \$25,000 and age of the annuitant(s) is 75. All examples are based on an AFR of 2.2% and an annual payment. The annual payment amount is based on the rates recommended by the American Council on Gift Annuities, which most charities follow.

## Questions Worth Considering

If your philanthropic goals include making a difference for children, then a charitable gift annuity with Children's National is worth exploring.

Here are a few frequently asked questions that can help you determine whether a charitable gift annuity might be a good fit for you.

### Is a charitable gift annuity easy to set up?

Yes. You inform us of the amount of your gift, your date of birth, and when payments should start. We then prepare your customized example of the gift annuity for review with your advisor. When we finalize the contract and you make your gift to Children's National, payments begin under the terms of the contract. We continue to provide to you annual documentation of all payments for income tax filings.

### What is the advantage of using stocks vs. cash?

When you use appreciated stocks, you will be able to bypass some of the capital gains tax you would pay if you sold the stocks. In addition, a portion of your payments is taxed at the capital gain tax rate.

### Will the payment amount fluctuate?

No. The payment amount is fixed for the lifetime of the person receiving payments. For a two-person gift annuity, payments remain the same and continue for as long as either person is alive.

### What if I want to change the gift annuity amount?

It is not possible to change the amount once the agreement is in place. However, you can always set up additional gift annuities later.

## Is a Charitable Gift Annuity Right for You?

You can make an important and substantial gift and receive something very tangible in return—lifetime income. More than this, you can enjoy the satisfaction of making a difference for patients and families at Children's National.

Please contact us to request a no-obligation, customized example and our complimentary brochure, **Planning with Gift Annuities – How to Do More for Yourself and Charity**. It is our pleasure to help you and your advisors as you explore gift planning options. Thank you for considering us in your philanthropic planning.

## Rebecca's Story

When Adriane Hanelt's daughter, Rebecca, was 2 weeks old, Adriane learned that Rebecca would need surgery. Rebecca had been diagnosed with intestinal malrotation and volvulus, causing a serious obstruction in her intestine. Luckily, Rebecca's surgery could be done through a minimally invasive procedure by one of the leading pediatric surgeons in the nation, Timothy Kane, MD, FACS, Chief, Division of Pediatric Surgery at Children's National. Minimally invasive surgery involves only three small incisions, which create smaller scars and a faster healing time.

Rebecca recovered in the Children's National Neonatal Intensive Care Unit for several days. "One night was especially rough," Adriane said. "My husband and I had been taking turns, but we were so exhausted. Then, the nurse who was taking care of Rebecca said, 'Go to sleep. I'll just sit here and I'll watch over her.' She was amazing. She sat there, patting Rebecca's back and feeding her while I got some much needed rest."

Today, Rebecca is a happy, healthy toddler who walks around and eats everything in sight, according to her mother. Adriane shared, "The hospital is excellent. Everything was so much better than if my daughter had the regular open surgery."

Rebecca



Is Children's National already in your will or other estate plan but you haven't told us? If so, please let us know now so we may welcome you to

*The Guardian Society.*

The Guardian Society recognizes the very special people who have included Children's National in their will and other estate gifts. Their forethought and generosity 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, please visit our website [www.childrensnational.org/giftplanning](http://www.childrensnational.org/giftplanning) or contact me.

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



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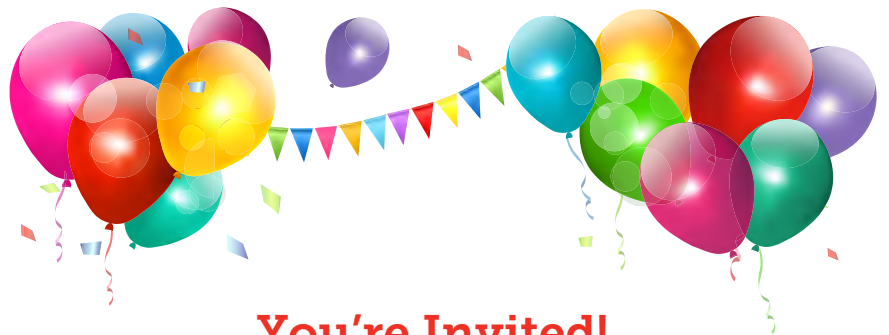
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## Fetal Medicine Clinic Helps More Babies Thrive

"Fetal medicine is the frontier of pediatric medicine," said Kurt D. Newman, MD, President and CEO of Children's National, at the ribbon-cutting ceremony for the new Fetal Medicine Institute. Doctors at the state-of-the-art clinic care for high-risk expectant mothers and babies before they are born. Through advanced fetal diagnostic techniques, doctors work to intervene early and prevent the development of serious health problems that can span a lifetime.

"We feel that the main challenge for fetal medicine, in general, remains diagnostic," said Adre J. du Plessis, MBChB, MPH, division chief of Fetal and Transitional Medicine and director of the Fetal Medicine Institute. "Being able to detect a fetus that is not thriving is still difficult. Our long-term goal is to intervene before fetuses become harmed by an adverse intrauterine environment."

With a strong emphasis on telemedicine and video conferencing, specialists at the Fetal Medicine Institute can easily connect with referring physicians for patient consults. The Institute enables Children's National to serve more families and ensures continuity of care from a diagnosis confirmation into postnatal life.



**You're Invited!**

**Thank You Tea**  
in appreciation of our loyal supporters

**October 29, 2014 • Bethesda, MD**

Please join us to hear how Children's National uses telemedicine to improve and save children's lives.

**For an invitation, call (301) 565-4954 or email [tglasser@childrensnational.org](mailto:tglasser@childrensnational.org).**