



The

Guardian

Estate and Gift Planning Ideas • Fall 2008



Guardian Society member and President and CEO Edwin K. Zechman, Jr.

Annual Luncheon Honors Distinguished Donors

Inspiring, caring individuals with big hearts came together on May 7 for Children's National Medical Center's first Guardian Society Annual Luncheon at the Cosmos Club in downtown Washington, D.C., to honor members and friends of **The Guardian Society**. The Guardian Society recognizes the thoughtful individuals who have



Guardian Society members Executive Director of the Center for Cancer and Blood Disorders Dr. Max Coppes and Nancy Yanofsky



Pictured are 2008 Guardian Society members who attended the luncheon

included Children's Hospital Foundation in their wills or other estate gifts.

The inaugural event was a great success! Guests mingled for a lively cocktail reception before enjoying a three-course meal and a welcome from President and CEO, Edwin Zechman, Jr.

This was followed by informative presentations from Dr. Max Coppes, Executive Director of the Center for Cancer and Blood Disorders, and Pam King Sams, Vice President of Development, who recognized and expressed thanks to our Guardian members.

Wendy Silver spoke about her family's experience at Children's National and guests were moved to tears. (See page 4 for Tory's story.)

continued on page 4

In This Issue...

- The Gift That Gives Back
- The Guardian Society
- Tory's Story

"...I believe children deserve a chance and they need good health to have a chance."

—Wayne R. Kleczek
Guardian Society Member



BUILD RETIREMENT INCOME WITH ANNUAL ANNUITIES

Note in the chart at right that the older you are, the higher the annuity rate and the greater your income payment. The amount of your tax deductions are generally higher the older you are, as well.

For these reasons, you may wish to create additional gift annuities each year. Over time, your income will build, along with the amounts you have given to support the mission of Children's National.



Contact Rita S. Corwin,
Director of Gift Planning,
at (301) 565-8524.

The Gift That Gives Back

Uncertainty in the stock market and low interest rates continue to affect many people's cash flow and possibly their charitable contributions.

Fortunately, there are ways to enjoy increased income while also making a meaningful gift to Children's National. In the following pages, we explore the **charitable gift annuity**, a gift plan that allows you to make gifts that provide you and/or a loved one with more spendable income at lower tax rates.

How gift annuities work

Under the terms of a gift annuity, you make a gift of cash or other appropriate property to Children's National through a simple agreement. Payments are backed by all of Children's National's available assets.

Gift annuities offer many benefits:

- You will receive regular payments that never decrease in size or frequency, regardless of changes in the economy.
- Payments are made for your lifetime, so there is no concern about outliving this source of income.

ANNUITY PAYMENT RATES*

One-Life		Two-Life	
Age	Rate	Ages	Rate
90+	10.5%	90/90	8.7%
85	8.9	85/85	7.4
80	7.6	80/80	6.6
75	6.7	75/75	6.0
70	6.1	70/70	5.6
65	5.7	65/65	5.4

Please call for rates for other ages and more information.

*Effective July 1, 2008.

- A federal income tax deduction is available when you itemize your deductions.
- Part of each payment is usually free from federal income tax for a designated period of time.
- You may enjoy capital gains and estate tax savings.
- Payments can also benefit loved ones and friends, if you wish.

Charitable gift annuities have proven to be excellent additions to the long-range financial plans of people from all walks of life.

“It's extraordinary that Children's National treats all children regardless of their ability to pay. How wonderful that in a diverse community such as ours, no child is turned away!”

—Patty Perkins Andringa
Guardian Society member

Take Care of Loved Ones

A Children's National Gift Annuity can result in welcome gift, estate, and income tax savings while accomplishing the following goals:

- **Providing payments for one's life and for the lifetime of a surviving spouse.** Payment rates for two persons' lives vary with the ages of the individuals. See page 2 for representative rates.
- **Ensuring an income supplement for your parent(s), other loved one, or a friend.** If you are furnishing regular support to your parent(s)

from after-tax dollars, a gift annuity can provide a reliable income for life for a loved one with tax savings to you. The annuity payment rate is based on the age(s) of the person(s) receiving the annuity income.

- **Helping with college expenses.** You may have a grandchild (or grandchildren) who you would like to help with education expenses. Gift annuity payments, if they are not needed to supplement your own income, can be a wonderful way to accomplish this goal.

Use Appreciated Property to Make a Gift

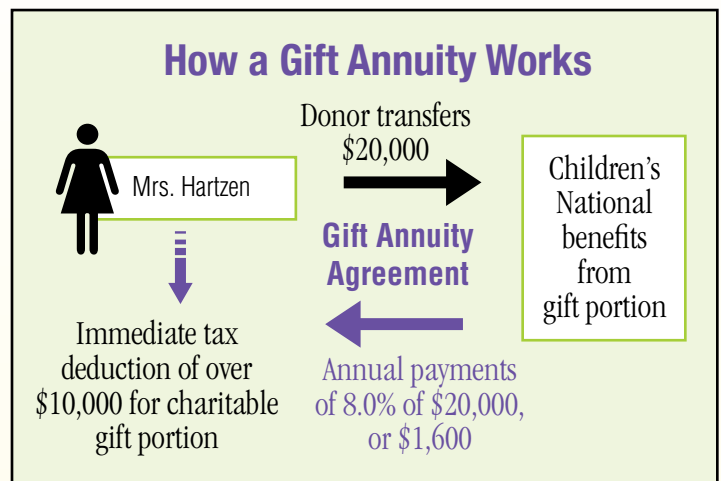
You may receive special tax savings and other benefits when you fund a gift annuity using low-yielding stocks, bonds, mutual funds, or other investments.

For example

Mrs. Hartzen, age 82, has stock worth \$20,000 that currently yields only 1%, or \$200, per year. She invested just \$5,000 in the stock a number of years ago. If the stock were sold today, she could owe capital gains tax on the \$15,000 increase in value.

Instead, she uses the stock to fund a gift annuity for her benefit. At her age, she will receive an annual annuity of \$1,600, or 8% of the amount of her gift.

In addition, Mrs. Hartzen is entitled to an income tax charitable deduction of over \$10,000 in the year of her gift. She also avoids capital gains tax at the time the annuity is created, avoids some capital gains tax completely, and is pleased to learn that a large portion of her payments will be taxed at lower capital gain rates for the first 8 years.



The stock is removed from Mrs. Hartzen's taxable estate, possibly saving her heirs a significant sum in estate taxes.

Send for our **FREE GUIDE, "Giving Through Gift Annuities,"** by completing and returning the enclosed reply card.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Deductions vary based on applicable federal discount rates, which can change on a monthly basis. 4.4% AFMR. Some opportunities may not be available in all states. ©MMVIII RFSCO, Inc. All Rights Reserved. NAXX-08

Tory's Story

Six years ago, Wendy Silver's 2-year-old daughter Tory was diagnosed with cancer. "When I first began this journey," says Wendy, "I felt very much alone."

When Tory complained of a stomachache that would not go away, Wendy brought her to Children's National. Tory was diagnosed with Stage III Wilm's Tumor, a childhood kidney cancer.

Wendy's initial reaction was disbelief, but she was encouraged by the staff at Children's Hospital. Surgeons removed Tory's right kidney, and Tory went through chemotherapy and radiation therapy.

For many months, Wendy was afraid Tory's 2-year-old body could not withstand the rigors of multiple surgeries, chemotherapy, radiation, and cancer. Six years later, how-

ever, Tory is a happy, healthy, and playful 8-year-old.

Tory's four siblings were treated by hospital psychologists to help them cope with the strains on the family.

"This helped a great deal," Wendy says, "and I know these resources are still available to our family, should we need them."

Children's National continues to "treat the family" while caring for our small patients. Tory and Wendy recently visited the new Inpatient Tower and were impressed by the bright colors, private rooms, and special facilities that consider family needs when a child is hospitalized.

"Children's National is a precious resource for our community's children and families," Wendy says. "Tory's recovery has been a miracle and a gift."



Wendy Silver relating her daughter's experience at Children's National

Distinguished Donors... *continued from page 1*



Guardian Society member Gloria Peacock and her guest Ann Southaid



Guardian Society member and Children's Hospital Board Chair Terry Cornwell Rumsey (right) and her mother Shirley Cornwell

After the luncheon, guests signed up for a tour of the new East In-patient Tower and an opportunity to participate in "Dr. Bear's University," a behind-the-scenes look at Children's National. Guests left inspired by the healing work we do for children in the D.C. area, across the country and the world.

For more information on how you can join these wonderful individuals who care so much about the children we serve, please call toll-free (866) 458-0686 or e-mail guardiansoc@cnmc.org.



Guardian Society members President and CEO Edwin K. Zechman, Jr., Emeritus Board Chair Dr. John L. Chamberlain, III, and Vice President of Development Pam King Sams

The Guardian Society

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

We gratefully recognize the following generous donors who have made provisions for Children's National to ensure the future of excellent health care and cutting-edge research for all children, in our own community and around the world. Our future will be built on the foundation of today's planned and deferred gifts. Thank you for your foresight. (List is as of September 30, 2008.)

Anonymous (7)	Mrs. Jeanette R. Hillman	Mr. and Mrs. Wayne S. Quin
Ms. Kate B. Alfriend	Dr. and Mrs. Peter R. Holbrook	Ms. Helen M. Ray
Dr. Norma M. Allewell	Ms. Margaret S. Hunter	Mr. and Mrs. Bernard Ries
Patty Perkins Andringa	Ms. Lillie B. James	Mr. Joseph E. Robert, Jr.
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Dr. Jocelyn M. B. Hicks	Mrs. Gloria R. Plante	
	Mr. William W. Price	

To learn more about The Guardian Society and how to become a member, please call toll free (866) 458-0686 or e-mail guardiansoc@cmnc.org. If you have already included Children's National in your estate plan, please let us know so we may thank you and welcome you to The Guardian Society. **Tax I.D. #52-1640402.**



Children's National Medical Center

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Children's Hospital Foundation

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Children's Hospital Foundation, a 501(c)(3) organization, serves as our fundraising arm. Individual donors, corporations, and community organizations help Children's National doctors, nurses, and researchers transform children's health in the Washington area, across the country, and around the world.



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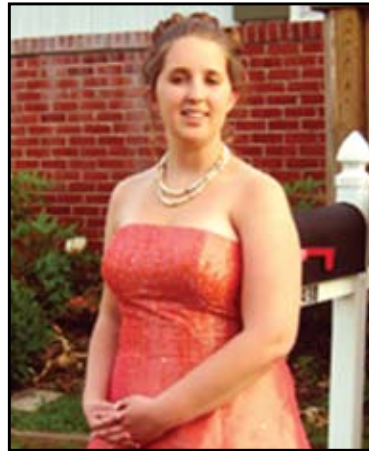
Giants in the World of Neuro-Oncology

"I always wear a smile with every outfit," says Brittany Wagner. Her high school prom and graduation photos prove her motto. Brittany is being treated through the **Children's National Brain**

Tumor Institute with a combination of drugs that were tested through one of many clinical trials the Brain Tumor Institute makes available to patients in the region and around the country.

Several years ago, Brittany was diagnosed with glioblastoma multiforme (GBM), a particularly aggressive type of malignant brain tumor. She underwent surgery and radiation therapy at Children's National, and was treated with a new medication.

Brittany was fortunate to live in the D.C. area and have the Children's National Brain Tumor Institute close by.



Brittany Wagner

Led by Roger J. Packer, MD, the Brain Tumor Institute is one of only nine centers selected by the National Cancer Institute to perform innovative clinical research in neuro-oncology.

The multi-disciplinary Brain Tumor Institute also draws on the talents of neurosurgeons, as well as oncologists and researchers.

"They are giants in their worlds and super guys in mine," says Brittany. "We

beat the odds and I made it to my high school prom and graduation. Now I plan to go to college because I want to be a teacher. That way, I can make my contribution to the world of research and care."

Children's Receives Top Honors Again in 2008

Children's National Medical Center is one of only seven children's hospitals in the country named to The Leapfrog Group's 2008 Top Hospitals, based on results from the Leapfrog Hospital Quality and Safety Survey. This is the second year that Children's has been recognized by this prestigious group.