Camdyn’s Story

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“Camdyn will have a second operation to repair his pulmonary stenosis, but we know he will be in great hands at Children’s National.”

—Camdyn’s mom, Erin

Children’s National Medical Center Receives First NIH Clinical and Translational Science Award Given to a Children’s Hospital

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“I Trust and Believe in Children’s National”

As the mother of four and the grandmother of eight, Martha H. values family and loves children. “Though I have had many roles in my life, I am most proud of being a parent and a grandparent.”

Martha raised a family while working as a special education teacher. After her children went off to college, she obtained another degree and began a second career in social work. She and her husband, Michael, have been married for 45 years.

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“Though I had no experience with this kind of charitable gift, I found working with the staff easy and enjoyable.”

—Martha H., grateful parent

WWW.CHILDRENSNATIONAL.ORG/GIFTPLANNING
Taking Stock...and Giving It

If you enjoy making charitable gifts and have stocks, bonds, mutual funds or other appropriate securities that are worth more than you paid for them, you may be interested in a special opportunity.

Benefits of Giving Securities

Gifts made with assets that have been owned for more than one year are generally deductible for income tax purposes at their full current value. In other words, you are allowed to deduct not only what you paid for the property but also any gain in value of the investment.

As a result, you can eliminate federal and perhaps state income tax up to 30% of your adjusted gross income. You can also bypass capital gains tax that would otherwise be due.

**Assuming 35% Income Tax Bracket**

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift value</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
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For instance, George and Diane normally make charitable gifts in the form of cash. This year they decide instead to give stock worth $10,000 that has increased in value from $4,000 since they have owned it. They are able to deduct the full value of the stock while completely bypassing capital gains tax. Because they choose to give stock to Children’s National, George and Diane save capital gains and income taxes, making the cost of their gift of securities less than a gift made with cash. See the chart on page 2 for an illustration of the tax consequences of George and Diane’s various alternatives.

Unlock Income from Securities

Securities that have increased in value but yield less income than desired are an attractive asset to fund a charitable gift annuity.

By using these assets you can enjoy multiple tax benefits as well as additional income. You are entitled to an immediate tax deduction equal to the charitable gift portion. You do not have to pay capital gains tax on a portion of the increase in value, and the tax on the remainder is spread out over a number of years as you receive payments.

For example, Elizabeth, age 75, owns stock worth $30,000 that cost just $8,000 when she bought it some 30 years ago. It currently pays dividends of just 1%, or $300 per year. She is pleased to learn that she can receive payments of 6.4% of the value of the stock from a Children’s National gift annuity.

**Multiple Tax Benefits**

Her income increased to $1,920 per year, part of which will be received tax-free for a period of years. The charitable gift portion of her annuity entitles her to an income tax deduction of nearly $3,000.

In addition, she is pleased to learn that the securities will not be part of her estate for tax and probate purposes.

Rates and tax benefits for gift annuities generally increase with age, so a series of gift annuities funded over time can be an excellent way to leave a lasting legacy while creating a source of dependable income.

More Information

For more information on how you can make a gift of securities, simply return the enclosed card or contact Rita S. Corwin at (301) 565-8524 or rcorwin@cnmc.org. You may also visit our website www.childrensnational.org/giftplanning.

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**Gift Annuity Payment Rates**

<table>
<thead>
<tr>
<th>Age</th>
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<tbody>
<tr>
<td>90+</td>
<td>9.5%</td>
<td>90/90</td>
<td>8.3%</td>
</tr>
<tr>
<td>85+</td>
<td>8.1</td>
<td>85/85</td>
<td>7.1</td>
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<tr>
<td>80</td>
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<td>80/80</td>
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<tr>
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</tr>
<tr>
<td>70</td>
<td>5.8</td>
<td>70/70</td>
<td>5.4</td>
</tr>
</tbody>
</table>

*For illustrative purposes only. Please contact us for current benefits and rates for other ages.*

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**Did You Know...**

Last year 445 active volunteers donated more than 37,000 hours to help create positive experiences for young patients and their families.

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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.

To learn more about making a legacy gift to Children’s National and how to become a member of The Guardian Society, please call toll free at (866) 458-0686 or email us at guardiansoc@cnmc.org. Our Tax ID number is 52-1640402.

Contact Rita S. Corwin, Director of Gift Planning, at (301) 565-8524 or rcorwin@cnmc.org.

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 consultation on 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. Some opportunities may not be available in all states. ©MMX RFSCO, Inc. All Rights Reserved.

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Therapeutic play helps Blanca, age 7, prepare for her medical procedure.

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Because they choose to give stock to Children’s National, George and Diane save capital gains tax.

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“...the very special legacy. National through a lasting education at Children’s hospital...”

Ms. Catherine Gaines has been a volunteer at Children’s National for more than 25 years.

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