

During a Shaky Stock Market...Freeze the Value of Your Securities...No Tax Liability...U. S. Government Bonus...Make a Wonderful Gift



During a shaky stock market friends of ABC Hospital Foundation ask us how they can freeze the value of their stocks, reduce or eliminate taxes on the gain and receive a fixed guaranteed lifetime income.

Our charitable gift annuity program solves this need and, if you don't need the income today, our Zero Coupon Three or Five Year Annuity program may be your answer.

Here is how it works.

You make a gift of securities to ABC Hospital Foundation. We make all arrangements and pay for the commission on the sale. The full value of your gift is invested in our immediate or deferred charitable gift annuity program. Because you are making both a gift and receiving payments the tax laws allow you to deduct as a charitable contribution a generous portion of the stock's value.

Payments can begin immediately or you can defer income by using our Zero Coupon Three or Five Year Annuity program. Income when received will be taxed as both ordinary income and capital gains income and a portion will also be received income tax-free.

Lets look at two examples to illustrate the savings:

John, aged 70, retired on a generous pension. He invested \$3,000 in Merck stock many years ago that is now worth \$20,000. His 625 shares yield 4.7% with an annual dividend of \$1.52. If he sells the stock he will pay \$2,550 in capital gains tax under the current Federal tax law. He has found a better solution and establishes an immediate annuity with the following results:

<i>John freezes the value of his Merck stock worth \$10,000</i>							
	Annual Income (rate)	After tax Effective Rate	Charitable Deduction	Capital Gain if Sold	Taxability of Income		
					Ordinary	Tax-Free	Capital Gain
Today	\$950 (4.70%)	4.03%(1)	-0-	\$2,550	\$950	\$0	\$0
Tomorrow	\$1,220 (6.10%)	7.80% (2)	\$7,976	-0-	\$463	\$114	\$643

(1) After tax of 15% on current dividends.

(2) The effective rate combines the benefit of the charitable deduction and tax-free payment to determine the fully taxable income needed to equal the spendable income from the gift annuity.

The charitable deduction will allow John to earn \$7,976 in tax free income in 2008. John receives payments quarterly.

Bill and Sarah, both 70, planned well for their retirement years. With successful investments and a small inheritance they have a well balanced portfolio. Living well below their means, but concerned about the future, they are looking to freeze the value of a portion of their holding in two stocks, Colgate and Proctor & Gamble. The stocks were bought for \$25,000 several years ago and currently pay a combined 2.24% on their \$100,000 value. Today, they are concerned about diversification and reducing taxes while increasing current income. They choose the benefits of the ABC Hospital Foundation Zero Coupon Five-Year Annuity. Here is a list of benefits.

<i>Bill and Sarah freeze the value of their Colgate and Proctor & Gamble stocks worth \$100,000</i>							
	Annual Income (rate)	Effective Rate	Charitable Deduction	Capital Gain if Sold	Taxability of Income		
					Ordinary	Tax Free	Capital Gain
Today	\$2,241 (2.24%)	1.90%(1)	-0-	\$11,250	\$2,241	\$0	\$0
Beginning Jan 1, 2012	\$7,100 (7.10%)	8.87%(2)	\$37,840	-0-	\$3,486	\$904	\$2,710

(1) After tax of 15% on current dividends.

(2) The effective rate combines the benefit of the charitable deduction and tax free income to determine the fully taxable income needed to equal the spendable income from the gift annuity.

The government bonus for the future gift to ABC Hospital Foundation is \$37,840, thus Bill and Sarah can earn \$37,840 in non-taxable income. The government limits this deduction to 30% of your adjusted gross income in any year when you make a gift of appreciated property. The Hospital promises to pay a fixed guaranteed lifetime payments beginning in 2012. If they want the payments at any time after the first year the Hospital will begin sending them checks.

More Information: Income rates vary with age and the number of beneficiaries. ABC Hospital Foundation pays all commissions on stock sales so the full value of the stock on the day of transfer is the amount of your annuity agreement. ABC Hospital Foundation supplies the annuity agreement at no cost to you and provides an annual statement for your tax deduction and the income you receive. The Zero Coupon Annuity program can be for any term of 2 years or more. Multiple annuities are encouraged. Your age is to your closest birthday.

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For more information and a confidential proposal clip the coupon below and mail to:

**Mr/Ms Planned Gift Director,
ABC Hospital Foundation,
1234 Main Street, Midway, NC 12345**

For fast service call F 910-555-5555 with the information below and a proposal will be mailed the next day.

Please forward information on: () One Life Immediate Gift Annuity () 3-Year Zero Coupon Annuity
(Check all that apply) () Two Life Immediate Gift Annuity () 5-Year Zero Coupon Annuity

Name _____

Address _____

City _____ **State** _____ **Zip** _____

Birth date(s) ____/____/____ **&** ____/____/____ **Phone**() _____