

Gift Annuity Disclosure Statement

Description of a Gift Annuity

A gift annuity is a simple contract between the donor(s) and National Catholic Community Foundation. In exchange for the donor's(s') contribution, National Catholic Community Foundation promises to make fixed payments for life to one or two annuitants (usually, but not necessarily, the donor(s)). The amount paid is based on the age(s) of the annuitant(s), in accordance with National Catholic Community Foundation's rate schedule.

Not a Commercial Investment

The act of establishing a gift annuity with National Catholic Community Foundation is not, and should not be viewed as, an investment. Rather, it is a way to arrange for annuity payments while making a charitable donation. In this respect, a gift annuity issued by National Catholic Community Foundation is different from a commercial annuity. While both types of annuities make payments that are usually partially tax-free, the charitable donation aspect of establishing a gift annuity may result in additional tax benefits that are not available when purchasing a commercial annuity. These tax benefits include a current federal income tax charitable deduction (if you itemize your deductions) and possible future estate tax savings.

Gift Annuity Rates

Generally, the gift annuity rates paid by National Catholic Community Foundation are those suggested by the American Council on Gift Annuities, which is a national organization of charities that has been in existence since 1927. These rates have been calculated so as to provide attractive payments to the donor and/or other annuitant(s) and also to result in a significant portion of the contribution remaining for the charity. Because a charitable gift is involved, the rates are lower than those available through commercial annuities offered by insurance companies and other financial institutions.

Assets Backing Annuity

The annuity payments are a general obligation of National Catholic Community Foundation, and they are backed by all of our assets (subject to security interests). As of 12/31/2021 the market value of our total invested funds exceeded \$28,691,000 and they are invested in stocks and bonds. Assets received by National Catholic Community Foundation for gift annuities are managed internally, in a conservative and disciplined manner. Our investment objective is to enhance the capital value of the fund in real terms through asset appreciation and income generation and consistent with the socially responsible investment guidelines of the United States Conference of Catholic Bishops (USCCB). If National Catholic Community Foundation should ever fail financially, individuals entitled to receive annuities will qualify as general creditors of National Catholic Community Foundation.

Administrative Fee

The National Catholic Community Foundation charges an administrative fee of 1% per year of the value of the gift annuity. This fee is charged monthly – 1/12th of 1% per month).

Residuum

The National Catholic Community Foundation will distribute 95% of the residuum to a fund for the specified remainder beneficiary. The remaining 5% of the residuum will be retained by NCCF to strengthen the reserves of its charitable gift annuity program.

Governance

Responsibility for governing National Catholic Community Foundation, which was established in Maryland in 1997, is vested in a Board of Trustees composed of 12 persons, who are selected by the Board of Trustees. Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). Information in this statement is provided to you in accordance with the requirements of that Act.

Points to Remember

- A contribution for a gift annuity is irrevocable.
- The right to annuity payments may not be assigned to any person or organization, other than National Catholic Community Foundation.
- The gift date is the date when you actually transfer assets. In the case of cash, it is the date you mail or deliver a check. In the case of an electronic transfer of securities, it is the date they are received into the account of National Catholic Community Foundation. If you have certificates, it is the date they are properly endorsed and mailed or delivered.
- The gift annuity is governed by applicable state laws.

For More Information

This disclosure statement is intended to provide basic information regarding the gift annuities issued by National Catholic Community Foundation, and is not intended to serve as legal advice. We encourage you to consult with your own legal and/or financial advisor about the applicability of such a gift in your own situation. If you have additional questions concerning National Catholic Community Foundation's gift annuity program, please call or write Renee Fusick, 1321 Generals Highway, Suite 202, Crownsville, MD 21032. 410-923-3222.