



St. Mary Life Income Fund

Executive Summary:

If you are over the age of 60, there is a unique opportunity through Providence St. Mary Foundation that allows you to make a tax-deductible gift to support St. Mary, while earning an income **for the rest of your life**. Historically, this return has been 6.2%. The program, called **St. Mary Life Income Fund**, is recognized by the IRS as a way for donors to make a philanthropic impact at St. Mary while creating income for life. Life Income Fund gifts are typically unrestricted in nature and distributed to the area of greatest need.

How can I get a tax deduction AND earn income for life?

The St. Mary Life Income Fund is a type of charitable giving program that the IRS designates as a "Pooled Income Fund". When you contribute to a pooled income fund, the IRS allows for an immediate charitable tax deduction since the contribution is irrevocable (you can't change your mind later and ask for your money back) and goes to the Foundation as a donation. The contributions you make are then invested by Providence St. Mary Foundation to generate an annual income, paid quarterly, to you and/or a loved one for the remainder of your life.

How does St. Mary Foundation invest the money to create a return?

Unlike other pooled income funds, the St. Mary Life Income Fund uses real estate to generate income to donors for life. Specifically, the money donated is invested in a medical office building which generates revenue to pay you income for life. Historically, this return has been 6.2% of the initial contribution.

How much can I donate?

The minimum donation to this fund is \$10,000. The average donation is currently \$68,000; the largest individual contribution is \$500,000. Contributions are limited to the value of the building, which is \$4.2 million. We have received just over \$2.38 million in contributions, therefore we can still accept up to \$1.82 million in donations through the St. Mary Life Income Fund.

Can I donate items other than cash?

Yes you can. Any stock that has appreciated for at least 12 months can be donated. In this situation, the donor would also benefit by forgoing the capital gains tax typically paid when liquidating a stock. Under certain circumstances, real estate that is debt free can also be donated.

How do I know how much my tax deduction will be?

The income tax deduction on your contribution to the St. Mary Life Income Fund varies based on a number of factors including age, marital status and if you wish the income to include a spouse or partner. Providence St. Mary Foundation staff are available to do an individual analysis and illustration with no donor commitment.

To set-up an analysis to explore if this charitable investment is right for you, contact the Foundation at (509) 897-2071 or lindsey.olderidge@providence.org.