**Commutation Letter – COMMUTED annuity**

[*Addressed to appropriate office of charity that issued the gift annuity.*]

[*Date*]

[*Name of contact person at charity*]

[*Name of charity*]

[*P.O. Box or Street Address*]

[*City/state/ZIP Code*]

Dear \_\_\_\_\_\_\_\_\_\_:

I am named as annuitant of a gift annuity established with the ABC Charity (hereinafter “the Charity”) on July 1, 2017. Per that annuity agreement, I am entitled to an annual annuity of $\_\_\_\_\_\_\_ for life, commencing on September 30, 2019 and payable in quarterly installments of $\_\_\_\_\_\_\_.

The annuity agreement permits me to assign to the Charity my right to life payments in return for “quarterly installments to be paid at the end of each calendar quarter commencing on September 30, 2019 and continuing for a period of eight years.” It further requires that “the present value of the installments for the period of years selected shall equal the present value of the life annuity if the assignment had not been made.”

As of July 31, 2017, I exercise my right to assign to the Charity my life payments in return for installments over an eight-year period of time. The payments are to be made in quarterly installments at the end of each calendar quarter commencing on September 30, 2019. I understand that the amount of my payments shall be such that their present value equals the present value of the life payments I would have received, based, in both cases, on the starting date of the annuity payments or installments and on the Charitable Midterm Federal Rate and mortality tables in effect at the time of the assignment.

I further understand that at the end of the payment period or earlier if I die before the end of the payment period, the Charity is released from all obligations under the gift annuity agreement and that the Charity will use the remaining funds for the purposes stipulated by me in the gift annuity agreement.

Sincerely yours,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[*name of guardian*], Guardian for [*name of annuitant*]

*[If [annuitant] is of legal age at the time of the commutation, modify the language of the letter and substitute his or her name on the signature line.]*