

Through the ministries of your church, *you* make a positive difference. Hurts are healed, lives are changed by the love of the living Christ.



*With a gift annuity you can:*

Ensure future support for your favorite United Methodist church, agency, program or institution

Receive a current income tax deduction

Receive annual payments for life

Prior to your creation of a gift annuity, the Foundation will provide you with information to share with your family and professional advisors. The Foundation will ensure timely delivery of your payments and tax reporting information each year.

To request your free, personalized and confidential illustration, contact the Foundation at 800-332-8238.



*We are here to serve you:*

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07/08

# The Charitable Gift Annuity



*A gift that returns income*

## Plan to Make a Difference!

Planning for the future is part of effective stewardship. The Charitable Gift Annuity is a tool that can help you plan for the future of your favorite United Methodist ministry *and* for your current income needs.

The standard gift annuity is appropriate for persons over the age of 60.

The payment rate on a gift annuity is determined by your age on the date it is created. The payment amount remains fixed for your lifetime.

A portion of the payment you receive is tax-free. If you fund your gift annuity with appreciated stock, you can avoid a portion of the capital gains tax as well.



### EXAMPLE

Mrs. Jones is 79 years old and has a \$10,000 Certificate of Deposit at her local bank paying four percent interest. She intends to leave these funds to her United Methodist Church, but has need of the income.

She is delighted to learn that with a charitable gift annuity she can make a gift to her church and nearly double her current cash flow. Funded with her \$10,000, her gift annuity results in the following:

**A current income tax deduction of \$4,703\***

**An annual pay-out rate of 6.9%. Thus, she will receive \$690 every year for life.**

**Of the annual payment, \$534 will be tax free for the first 10 years of the annuity. Thereafter, the entire annuity is taxed as ordinary income.**

\*Based on an Adjusted Federal Midterm Rate (AFMR) of 2.4%

The annuity ends at Mrs. Jones' death, and her church is paid the gift benefit.



A gift annuity is created with an irrevocable transfer of cash or property. Gift annuities can be created to last for one life or two lives jointly.



Here is a sampling of rates:

<u>One Life</u>		<u>Two-Lives</u>		
		<u>Younger Age</u>	<u>Older Age</u>	<u>Rate</u>
<u>Age</u>	<u>Rate</u>	65	66-70	5.0%
65	5.3%	67	68-72	5.1
67	5.4	69	70-73	5.2
69	5.6	71	74-77	5.4
71	5.8	73	75-76	5.5
73	6.0	75	77-79	5.7
75	6.3	77	79-80	5.9
77	6.6	79	82-83	6.2
79	6.9	81	84	6.5
81	7.3	83	85-86	6.8
83	7.7	85	87	7.2
85	8.1	87	89	7.7
87	8.6	89	90	8.1
89	9.2	91	92	8.7
90+	9.5	93+	93+	9.3

Rates are revised periodically. Please verify current rates.