

Frequently Asked Questions

What is the minimum gift amount necessary to fund a gift annuity?

- First gift annuity: \$10,000
- Subsequent annuities: at least \$5,000

How is my payment determined?

- The number of annuitants creating the annuity (one or two)
- The age of the annuitant(s) when the annuity is created

How will my payments be taxed?

Annuity payment taxation is based on the type of asset used to create the annuity:

- Gift of cash - the payment is partly tax-free and partly ordinary income
- Gifts of appreciated securities - the payment is partly tax-free, partly capital gain and partly ordinary income

You will receive a Form 1099 from the Foundation each year for your tax reporting purposes.



Charitable Gift Annuity

Jane Jones is 78 years old and has a \$10,000 Certificate of Deposit at her local bank paying 3% interest. She intends to leave these funds to her church, but currently has need of the income.

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



- A completed tax-deductible gift of \$4,555*
- A fixed annual pay-out rate of 6.0%. Thus, she will receive \$600 every year for life. (And she can receive it by direct deposit!)
- Of the annual payment, \$518 will be tax-free for the first 10 years of the annuity. Thereafter, the entire annuity payment is taxed as ordinary income.
- The annuity ends at the time of Jane's death, and her church is then paid the remainder.

*Based on an adjusted federal midterm rate (AFMR) of 0.6%. Must itemize to claim deduction.

A gift annuity is created with an irrevocable transfer of cash or property.

Here is a sampling of calculations using current rates and a \$10,000 cash contribution.

OneLife

Annuitant Age at Time Gift is Made	65	70	75	80	85	90+
Annuity Rate	4.2%	4.7%	5.4%	6.5%	7.6%	8.6%
Annual Payment/ Tax-Free Portion	\$420 \$351	\$470 \$399	\$540 \$462	\$650 \$561	\$760 \$675	\$860 \$769

TwoLives

1st Annuitant Age	65	70	75	80	85	90
2nd Annuitant Age	66-69	73-75	77-78	83	87	91-95+
Annuity Rate	3.9%	4.3%	4.8%	5.6%	6.8%	8.4%
Annual Payment/ Tax-Free Portion	\$390 \$331	\$430 \$369	\$480 \$416	\$560 \$488	\$680 \$600	\$840 \$747

(July 2020 rates) Rates are revised periodically. Please verify current rates and AFMR.

Lifetime payments for you, a lasting legacy for your church

What are the benefits of creating a gift annuity?

- Fixed payments for life
- Guaranteed payments backed by your Missouri United Methodist Foundation
- Tax deduction (must itemize)
- Partially tax-free payout
- Capital gains tax savings on gifts of appreciated stock
- Personal satisfaction that your gift will nurture future generations in the Christian faith



"We make a living by what we get, but
we make a life by what we give..."

-Winston Churchill

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contact the Foundation at
800-332-8238 or visit our
website www.mumf.org

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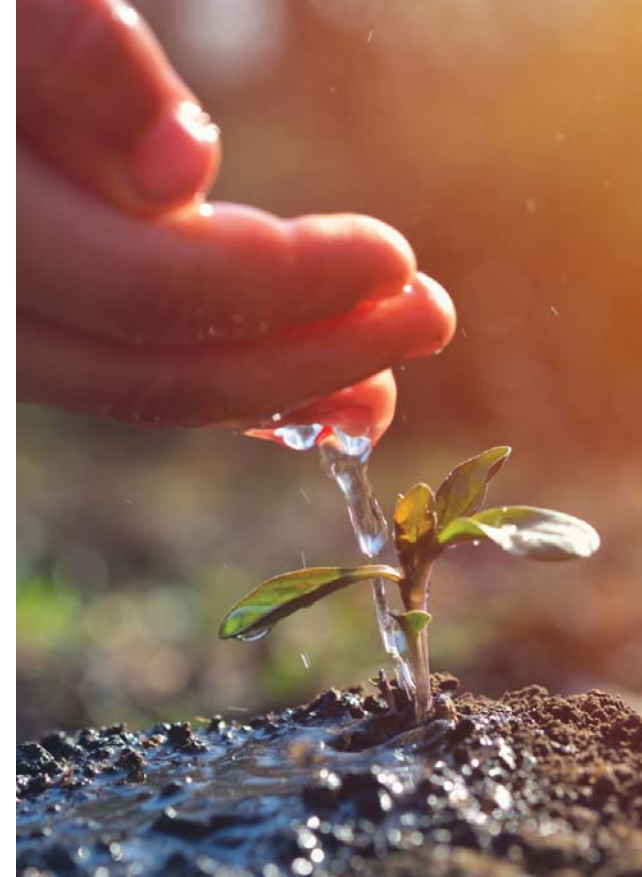
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A GIFT THAT PAYS YOU INCOME

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