



gift annuity

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

To request your free,
personalized and confidential
illustration, contact the
Foundation at **(573) 875-4168** or
visit our website
www.mumf.org

Prior to your creation of a gift annuity, please
discuss your gift annuity and all related
materials with your trusted family and
professional advisors.

The material contained in this brochure is
for general educational and informational
purposes and is not a source of legal or tax
advice.



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a gift that pays
you income





common FAQs

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?

- Number of annuitants (one or two)
- The age of the annuitant(s) at the time the gift annuity is funded

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 example



*Based on an adjusted federal midterm rate (AFMR) of 5.2%. Must itemize to claim deduction

Jane Jones is 76 years old and has a \$10,000 Certificate of Deposit at her local bank paying 3.5% 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 \$4,216*
- A fixed annual pay-out rate of 7.2%. Thus, she will receive \$720 every year for life. (And she can receive it by direct deposit!)
- Of the annual payment, \$490* 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.

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

A sampling of current rates and payments for a \$10,000 contribution

One Life	annuitant age at time gift is made	65	70	75	80	85	90+
	annuity rate	5.7%	6.3%	7.0%	8.1%	9.1%	10.1 %
	annual payment/ tax-free portion	\$570	\$630	\$700	\$810	\$910	\$1,010
		\$325	\$393	\$471	\$580	\$691	\$784
Two Lives	1 st annuitant age	65	70	75	80	85	90
	2 nd annuitant age	66-68	73-74	78-79	83	87	91+
	annuity rate	5.1%	5.7%	6.4%	7.2%	8.3%	9.9%
	annual payment/ tax-free portion	\$510	\$570	\$640	\$720	\$830	\$990
\$279		\$344	\$417	\$500	\$605	\$740	

(Jan. 2024 rates) Rates are revised periodically. Please verify current rates and AFMR.