

## 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

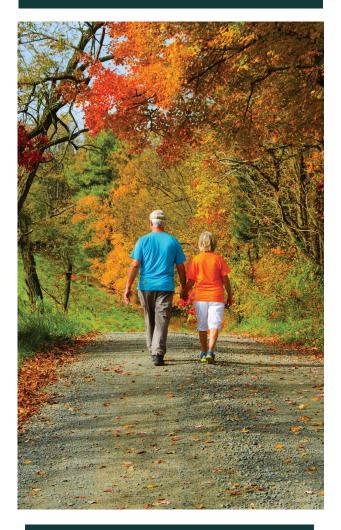
Prior to your creation of a gift annuity, please discuss your gift annuity and all related materials with your trusted family and professional advisors.

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 annuitant age at 65 70 75 80 85 90+ time gift is made annuity rate 5.7% 6.3% 7.0% 8.1% 9.1% 10.1% \$570 \$630 \$700 \$810 \$910 \$1.010 annual payment/ tax-free portion \$325 \$393 \$471 \$580 \$691 \$784 1st annuitant age 65 70 75 80 85 90 73-74 78-79 2<sup>nd</sup> annuitant age 66-68 83 87 91+ annuity rate 5.1% 5.7% 6.4% 7.2% 8.3% 9.9% \$510 570 \$720 \$830 \$990 annual payment/ tax-free portion \$740

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