

The Charitable Gift Annuity



A service of
Alabama-West Florida
United Methodist Foundation
PO Box 8066
Dothan, AL 36304
Office: 334-793-6820
Fax: 334-794-6480

Charitable gift annuities are a service of the Alabama-West Florida United Methodist Foundation. Prior to your creation of a gift annuity, the Foundation will provide you with a detailed illustration to share with your family and professional advisors. The Foundation will Administer the gift annuity and ensure timely delivery of your payments and tax reporting information each year.

If you are interested in a gift annuity, simply complete and return the attached form or contact our office to arrange a personal visit with a Foundation representative.

Alabama-West Florida
United Methodist Foundation
Office: 334-793-6820
E-Mail: foundation@alwfumf.org

Visit our website at
www.alwfumf.org

Please send me a **FREE** illustration of the payout and tax benefits of a charitable gift annuity.

Name: _____ Phone #: _____

Address: _____

City: _____ State: _____ Zip: _____

Date of Birth: ____/____/____ (2nd person ____/____/____)

Amount of Gift for Illustration: \$ _____ I would like additional information regarding:

- Creating an Endowment Fund
- Services of the Foundation
- Including my church in my estate plans

Return this form to:
Alabama-West Florida United Methodist Foundation
PO Box 8066
Dothan, AL 36304
Or fax to 334-794-6480

Giving That Benefits You, Too

Giving is essential to the growth of the spirit, the life of the church, and the work of Christ's Kingdom in the world. As you consider how best to make your gifts to the United Methodist Church, there are many options and opportunities available.

For many people, the **Charitable Gift Annuity** can be a great way to make a significant gift to the church. A gift annuity is a simple contract between the Foundation and you. With a gift annuity you can:

- Designate future support for the United Methodist Church, agency, program, or institution you choose
- Receive a current income tax deduction
- Receive annuity payments for life

Furthermore, 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.

The payment rate of a gift annuity is determined by your age of the date the gift annuity is created. Once the gift annuity is created, the rate does not change.

Many older persons find that a gift annuity can actually increase their present cash flow.

For Example:

Mrs. Jones is 79 years old and has a \$10,000 Certificate of Deposit at her local bank paying two percent interest. She intends to leave these funds to the 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 actually increase her current cash flow. Funded with her \$10,000, her gift annuity results in the following:

- A current income tax deduction of \$4,667.30
- An annual pay-out rate of **6.6%**. Thus, she will receive \$660 annually for life.
- Of the annual payment, \$538.56 will be tax free for the first 8 years of the annuity. Thereafter, the entire annuity payment is taxed as ordinary income.

*Based on an Adjusted Federal Midterm Rate (AFMR) of 1.6%.

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

Gift annuities can be created to last for one or two lives. Married couples will often create a gift annuity that will continue for the life of the surviving spouse.

Here is a sampling of current gift annuity rates for both one-life and two-life gift annuities:

One Life

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
60	4.4%	77	6.2%
62	4.5%	79	6.6%
64	4.6%	81	7.0%
67	4.8%	83	7.4%
69	5.0%	85	7.8%
71	5.3%	87	8.2%
73	5.5%	89	8.7%
75	5.8%	90+	9.0%

Two Lives

<u>Younger Age</u>	<u>Older Age</u>	<u>Rate</u>
65	66-68	4.3%
67	67-69	4.4%
69	77+	4.8%
71	76-79	4.9%
73	76-77	5.0%
75	76-77	5.1%
77	80-81	5.5%
79	83-84	5.9%
81	86	6.3%
83	85	6.5%
85	87	7.0%
87	89	7.5%
89	90	8.0%
91	92	8.7%

Rates are revised periodically. Please verify current rates.