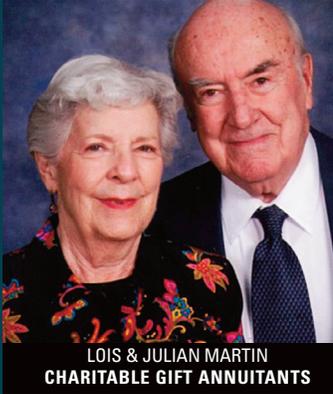




# CHARITABLE GIFT ANNUITIES

REFLECT DONORS' VALUES AND IDENTITY



"A CHARITABLE GIFT ANNUITY TO BENEFIT OUR CHURCH IS PART OF THE OVERALL MOSAIC THAT REFLECTS WHO WE ARE AND WHAT'S IMPORTANT TO US."

— JULIAN MARTIN

## Reflecting back on a life well-lived, Lois and Julian Martin show appreciation for what's most important to them in many ways, including through their giving.

As the son of a pastor and daughter of a music director, this couple of more than 60 years has a deep appreciation for education, music and their United Methodist roots. They first set up a Charitable Gift Annuity to benefit their *alma mater*, Ohio Wesleyan University, where they met and were active in the music program. Later, they wanted to show the same appreciation for University United Methodist Church in Austin, the congregation they've called home for decades. They looked to the Texas Methodist Foundation to safeguard their "investment" in an additional CGA so those funds will be available to assist their church and ministries will flourish far beyond their lifetimes.

**Their decision to establish another CGA to benefit University UMC made good financial sense in addition to being a heartfelt expression of their faith.** At a time when the bank CD used to fund their gift offered a meager rate of return, they knew using those funds to establish an additional CGA would provide significantly more regular income for a couple in their age bracket. They also received a charitable tax deduction along with the peace of mind that comes with knowing their funds will help their church – where they have worshipped, served, and enjoyed an enriching Christian music program – thrive in the future.

**"We want the heritage of The United Methodist Church to remain close to the university campus,"** Lois shared. With their gift and the support of others, University UMC will garner the funding needed to maintain and make improvements to its 100-year-old building, so they can continue serving the community surrounding The University of Texas for generations to come.



# CHARITABLE GIFT ANNUITIES

**CHARITABLE GIFT ANNUITIES PROVIDE A WONDERFUL WAY TO MAKE A MEANINGFUL FUTURE GIFT TO THE UNITED METHODIST CHURCH AND ITS MINISTRIES WHILE EARNING A FIXED PAYMENT DURING YOUR LIFETIME. YOU CAN ALSO GARNER SIGNIFICANT TAX BENEFITS WHILE REAPING THE SPIRITUAL REWARDS ASSOCIATED WITH CHARITABLE GIVING.**

## HOW IT WORKS

Under the terms of a gift annuity, you make a charitable gift of cash or appreciated securities. You (and/or others you designate) then receive fixed payments for life. The frequency and rate of payments are determined at the time the gift annuity is funded. When payments end, the remaining value of the annuity will establish a permanent endowment for your local church or other United Methodist cause. You define exactly how your endowment will be used.

## GENEROUS TAX BENEFITS

Because a portion of your gift annuity will be used for charitable purposes, you are entitled to an income tax deduction in the year of your gift. In addition, for a period of time, a portion of each payment may be free of income tax or taxed at capital gains tax rates that are lower than tax rates on ordinary income<sup>4</sup>

The amount used to fund your gift annuity may also be free of gift and estate taxes. You thus enjoy regular payments and tax benefits today for a gift that you might otherwise have planned to make in the future through your will or other long-range plans.

## HOW RATES ARE ESTABLISHED

TMF uses the schedule prepared by the American Council on Gift Annuities, a national non-profit organization, to determine annuity rates. Tax deduction calculations are made using the AFR (Applicable Federal Rate) for Charitable Gift Annuities.

## HOW TMF CAN HELP

We can work with you and your professional financial advisors to set up a charitable gift annuity that will benefit a United Methodist cause.

### QUALIFIED CHARITABLE GIFT ANNUITY

One-life Rates\*(based on a \$40,000 Annuity)

AGE	RATE	APPROXIMATE CHARITABLE DEDUCTION	ANNUAL LIFETIME PAYMENT
65	5.1%	\$15,053	\$2,040
70	5.6%	\$16,742	\$2,240
75	6.2%	\$18,864	\$2,480
80	7.3%	\$20,224	\$2,920
85	8.3%	\$22,690	\$3,320
90	9.5%	\$25,174	\$3,800

\*Rates as of 12/1/18. Numbers based on gift made in December using current AFR. Two-life rates available upon request. Example: A 75-year-old making a \$40,000 gift in return for a Charitable Gift Annuity would receive a 6.2% annual payment, or \$2,480.

**CONTACT THE FOUNDATION TO LEARN MORE ABOUT HOW A CHARITABLE GIFT ANNUITY CAN ENHANCE YOUR FUTURE FINANCIAL WELL-BEING WHILE HELPING TO MEET YOUR GOALS FOR CHRISTIAN GIVING.**

**MUST BE A RESIDENT OF TEXAS OR NEW MEXICO TO ESTABLISH A CGA WITH TMF.**