

## Charitable Gift Annuities

### What is a Charitable Gift Annuity?

A charitable gift annuity is a planned giving tool that allows the donor to make a gift while at the same time receiving a constant stream of income for life.

### How does it work?

The donor makes a gift to the United Methodist Foundation and designates a church or ministry as the remainder beneficiary. The donor then receives an annual guaranteed annuity at a rate that is based on his or her age at the time the gift was made. The rate schedule is determined by the American Council on Gift Annuities.

Payments continue for the life of the donor. The remainder of the gift goes to the church or ministry of the donor's choice upon the death of the donor.

A charitable gift annuity can be established for one or two lives. In a two life charitable gift annuity, the life income is paid through the lifetime of the surviving donor.

### What are the benefits of a Charitable Gift Annuity?

- There can be tax benefits of a charitable gift annuity. The donor is eligible for a tax deduction during the year of the gift. A portion of the yearly income paid to the donor is tax-free income during the life expectancy of the donor. If the gift is made using securities, there may be favorable tax treatment of capital gains.
- A charitable gift annuity can enable a donor to make a gift to the church that is larger than he or she ever anticipated because the gift provides income.
- The rates are generally favorable for donors. The annuity payments are constant and do not fluctuate with the market.
- Gift annuity rates are based upon the age of the donor at the time of the gift. Potential tax benefits increase with age of the donor.
- A Charitable Gift Annuity can also offer the flexibility of a deferment of payments until a time in the future, such as anticipated retirement.

### Contact the United Methodist Foundation for help:

United Methodist Foundation of the Northern Illinois Conference, Inc.  
Rev. Chris Walters, President  
Phone: 312-334-0703 • Email: [cwalters@umfnc.org](mailto:cwalters@umfnc.org) • Website: [umfnc.org](http://umfnc.org)

## Creating a Legacy

### Why have an endowment?

- Perpetual Resources — Members can have the confidence that they are establishing a resource that will enhance ministry into the future.
- More ministry — Resources are freed up to expand and enhance current programs and ministries.
- New ministry — Imagine the possibilities for new programming.

### Who can help?

Everyone! There are ways for anyone who dreams about the future of our church to participate.

- Add any amount to any of the existing Trusts. Do it in honor or memory of a loved one. Send your gift to the United Methodist Foundation.
- Create a new Trust either with an outright gift or using one of the planned gift options listed below. Your new Trust can support the general ministry of the church or the particular ministry which is close to your heart. Want to support more than just our church? Trusts can always have more than one charitable beneficiary. Contact the Foundation for information and for help as you consider options.

### Planned Giving Tools

- **Cash Gifts** — Most common form of charitable gifts, often made in honor or memory of a loved one.
- **Bequests** — Give a specific dollar amount or a percentage of your remainder estate through a will.
- **Life Income Gifts** — Make a gift that will provide you with a lifetime income.
- **Life Estate** — Transfer title to property and retain the right to live there for your lifetime.
- **Donor-Advised Funds** — Create an irrevocable account out of which you can recommend the United Methodist causes that should receive the income.
- **Beneficiary Designations** — Name the Foundation or our church as the beneficiary of your life insurance policy, retirement plan, IRA or pension plan.

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## **Fund for a Rainy Day**

### **Why have a reserve account?**

We can always expect that the unexpected will happen. When a church has a Reserve Fund in place and the unexpected does happen, funds are available to meet the emergency need without impacting the ministry of the church.

### **Who can help?**

Everyone! Any amount of money can be contributed to the Fund at any time. Just like families save money for the unexpected, our church family can do the same thing.

### **How else can church members help?**

Consider planning for the future of ministry at our church by contributing to an existing trust or starting a new Trust at the Foundation. Contributions can be made to existing Trust accounts in any amount at any time. The Foundation offers several different planned giving tools which can help you to start your own ministry of generosity.

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## Legacy Giving Through a Will

### **Your last witness to your faith.**

A Last Will and Testament offers an opportunity to express your Christian faith after your death. It is a vehicle through which you can witness to your faith in actions and words. A will is a simple tool to use to create a lasting and transformational gift to the Church.

### **Benefits of Leaving a Gift Through a Bequest.**

- It is often the easiest way to give the largest gift.
- It is revocable. You can always change your mind as circumstances change.
- It is flexible, allowing you to provide for your family, loved ones, and charitable concerns (including the church) in one document.

### **Options to Consider**

- A bequest can be for a specific amount or a percentage of your estate.
- A bequest can be contingent. For example, “If my husband predeceases me, then I leave a portion of my estate to my church.”
- A bequest can be residual. Use this option to leave the remainder of your estate to the church after family and friends have been remembered.
- A bequest can be a percentage of your estate.
- A bequest can be a particular piece of personal property or real estate.

### **How can the Foundation help?**

Contact the United Methodist Foundation. with any questions or concerns that you might have. The Foundation can provide literature which will help as you consider bequest options. The staff at the Foundation can also help if you would like to establish a Trust with your bequest to create a perpetual financial resource for the church.

There are also other ways to leave a transformational gift for the church. The Foundation can explain how you can receive a constant income from your gift, can discuss the possible tax benefits of certain gifts, and the Foundation can help with the donation of securities.

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