

Building

LEGACIES

Financial & Gift Planning Ideas from
your United Methodist Foundation

Spring 2006

An Income That Will Not Shrink

Many people are finding it more and more difficult to sustain the level of income they need. It is good to know there are options available that can help you increase your retirement income and have a guarantee that the income will not change. A very popular planning tool, the Charitable Gift Annuity, provides these and many other benefits.

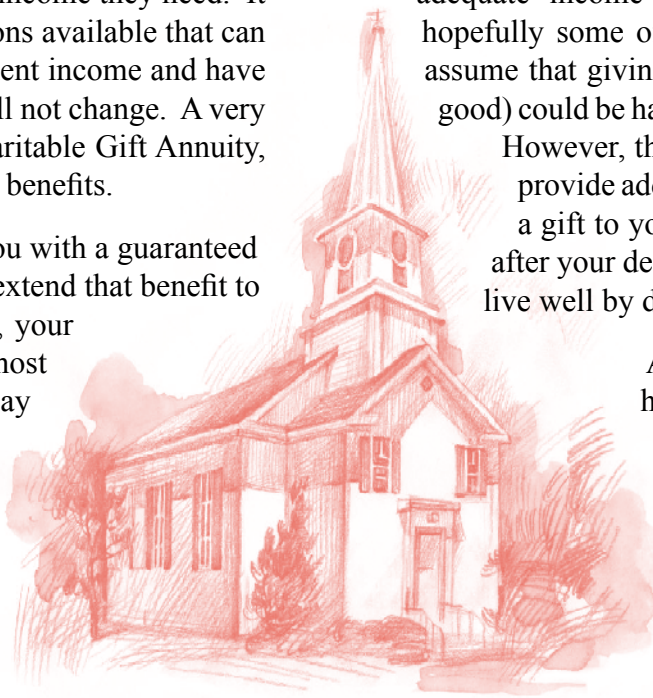
A Gift Annuity provides you with a guaranteed income for life. You can also extend that benefit to someone such as your spouse, your child, or someone else. In most situations, the annuity will pay a higher benefit than you are currently earning on your assets, and the benefit is guaranteed.

Living Well by Doing Good

We normally associate living well with having adequate income to meet all our needs, and hopefully some of our wants. We also usually assume that giving to help someone else (doing good) could be harmful to our desire to live well.

However, there are financial tools that can provide additional income and provide for a gift to your church, and other charities, after your death. So with planning, you can live well by doing good.

A Charitable Gift Annuity can help you have more income, have assurance the of steady income, and provide for your church and other charities after you are gone.



How a Gift Annuity Works

A Gift Annuity is a contract between the donor and a charity, in this case, your U.M. Foundation. The donor transfers an asset such as cash, stock, mutual fund, or real estate to the Foundation. The Foundation issues a contract guaranteeing to pay an annuity benefit to the donor for life. You can also extend that benefit to someone such as your spouse, your child, or someone else. The annuity benefits rate will be determined by the age of the beneficiary, or beneficiaries. The benefit never changes and will continue for as long as the beneficiaries live.

STORY INSIDE: How one couple built a legacy.

Because your gift annuity will be used to benefit charity, you are entitled to an income tax deduction in the year of your gift.

Do You Have Any of The Same Concerns?

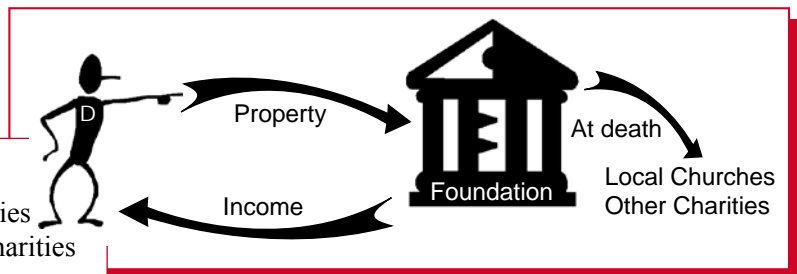
In helping families plan for their assets after they leave this world, we find that many express one or more of the following concerns:

- As we get older, we find we are more concerned with the stability of investment values and returns. Will we be able to count on the income when we need it the most?
- We love our church; can we do something special for the church?
- Can we also give to other charities we would like to help?
- Is this a good way to leave a legacy that says something about who we are and our life values?

You are not alone, many others share similar concerns. The Foundation can help you develop a plan to achieve those goals that are important to you. A Gift Annuity can help you have a guaranteed steady income and, at the same time, provide for your church and other charities, and leave a legacy.

Donor Benefits

- Guaranteed income for life of beneficiaries
- Leave a gift to your church, and other charities
- A portion of income is tax free
- Tax deduction at time of original transfer
- Avoid capital gain income on appreciated assets



Example of a Gift Annuity

A good option for generating more lifetime income is a gift annuity. Mrs. Jones is an example of the potential.

Mrs. Jones (age 76) created a \$10,000 gift annuity with the Foundation and named her local church as remainder beneficiary. The Foundation pays her annuity benefits for as long as she lives. The \$10,000 gift annuity guarantees Mrs. Jones payments of 7.2%, or \$720.00 per year.

The benefits do not end with the attractive annuity rate. She gets an immediate tax deduction of \$4,438, and 65% of her annuity income is tax

free. Upon her death, the gift annuity remainder becomes a gift to her church. So Mrs. Smith wins and the church wins too.

The rates on a single life gift annuity may reach as high as 11.3% and are based on the age of the annuitants.

One or two persons can receive payments from a gift annuity. The payments will continue for as long as either lives.

The Foundation would be happy to discuss your personal circumstances, and explore how a gift annuity could help with planning for your future.

The amount used to fund your gift annuity will also be free of gift and estate taxes. As a result, you will enjoy income 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.

Can It Really Be True?

There is an old saying, “if it sounds too good to be true, it is too good to be true.” Normally I would agree. However, there are occasional exceptions. Gift Annuities are one of those exceptions. Because of the many generous benefits produced by Gift Annuities, they have become *the most popular* gifting tool for our senior generation.

A charitable gift annuity can make it possible for you to make a charitable gift while helping to meet the long-term financial needs of yourself and/or a loved one.

Building a Legacy

Bishop Sheldon Duecker has been in ministry for 48 years, with wife Marjorie by his side.

future and made it possible to establish funds to benefit five charities.

In preparation for the future, the Duecker’s carefully considered what to do with the land Marjorie had inherited. The farmland that had been in her family for three generations was of great value. The disposition of this land would allow them to *Build a Legacy*.



The Dueckers would like to share how being able to establish a Gift Annuity has made them feel. Marjorie says, “I feel this is a way to make a difference.” Bishop Duecker said, “This kind

of giving is a way to continue your ministries long after you are gone.”

The Dueckers lives have been centered on the UMC, and they personally knew the people at the Foundation. After considering all the alternatives presented by the Foundation Director, they knew they wanted to give to the institutions that had touched their lives. After consulting with their lawyer and accountant they decided to transfer the farm in exchange for a Charitable Gift Annuity. Their Gift Annuity has given them financial security for their

of giving is a way to continue your ministries long after you are gone.” Bishop Duecker says being able to establish these funds has a three-fold benefit:

1. The Gift Annuity gives us financial security for the rest of our days.
2. It is a way to give back.
3. It is a way to make a difference in the future.

This was also a way for them to build a Legacy.

Ways to Receive Payments

Current Rates for One & Two Lives

Age(s) when gift annuities are made & payments begin	Rate
One Life	
70	6.5%
75	7.1%
80	8.0%
85	9.5%
Two Lives	
70 & 72	6.0%
75 & 77	6.4%
75 & 85	6.7%
78 & 82	6.9%
85 & 90	8.4%

For illustrative purposes only. Check with us for current rates.

Will You Leave a Legacy?

What will be your legacy after your life on earth is completed? How will you be remembered? Will you make a bold statement about who you are and your life values?

Leaving a gift that provides annual support to your church and other important ministries is a way to create your legacy. A Gift Annuity can provide guaranteed income to you and a loved one for life, and then create your legacy fund to provide ministry support.

Benefits of a Gift Annuity

Excellent rates, dependable payments, convenience, peace of mind, tax savings and the joy and satisfaction of knowing that your gift will be used in the church, now and in the future.

**NORTH
INDIANA
UNITED
METHODIST
FOUNDATION, INC.**
1001 North Western
Avenue, Suite D
Marion, Indiana 46952
765.664.2327
866.669.2327
FAX 765.664.2598
foundation@niumf.org
www.niumf.org

Tax Benefits of a Gift Annuity

A portion of your gift annuity will be used for charitable purposes, thus you are entitled to an income-tax deduction in the year of your gift. In addition, a portion of each payment will be free of income tax or taxed at special low capital gains tax rates.

The amount used to fund your gift annuity will also be free of gift and estate taxes. Thus you enjoy income 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.

To Get Started with Your Charitable Gift Annuity

We will prepare a personalized proposal and help you choose from available alternatives.

You are under no obligation by requesting this information.

Complete the enclosed card and return it to the Foundation or call us at (866) 669-2327.

Get Started on a New and Exciting Stewardship Adventure



Mission Statement

“The Foundation seeks to serve God by assisting agencies, churches and members in promoting stewardship of acquired assets, building of endowment funds, and administering entrusted funds for mission and ministry.”