

Building

LEGACIES

Financial & Gift Planning Ideas from your
United Methodist Foundation

Spring 2008

Is there a way for you to...

- ...have additional guaranteed income for life?
- ...eliminate worries about interest rates and investment performance?
- ...make a gift to your church and/or other favorite charities?
- ...reap several tax benefits?

Yes, a Charitable Gift Annuity Provides All These Benefits!

Most people are surprised to learn that with planning, they can enjoy personal income benefits and at the same time reach individual stewardship goals by giving to the local church. A **Charitable Gift Annuity** is an agreement between a donor and a charity. The donor transfers property to a charity in exchange for a promise to pay an annuity to the donor for life. Annuity payments may be made to one or two persons (often the donor and spouse, or donor and child.)

With a Charitable Gift Annuity, there is no worry of changing interest rates or fluctuating

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investment values. At the death of the last annuitant, funds remaining in the annuity contract are available for distribution to your church or other charities. Initially a tax deduction is allowed for the difference between the fair market value of the property transferred and the fair market value of the annuity contract. Only a portion of the annuity payments are taxable to the annuitant.

It is good to know options are available that can help you increase your retirement income and guarantee that the income will not change. A Charitable Gift Annuity is a very popular planning tool.

INSIDE: Benefits of a Gift Annuity

What Are the Benefits of a Gift Annuity

You can use cash, stocks, bonds, mutual funds or real estate to fund your annuity.

A gift annuity allows you to support God's work while planning for your future.

Excellent Rate, gift annuities pay an excellent benefit, ranging up to 9.0%. The rate is determined by the age of annuitant(s).

Security, you receive a guaranteed income for the life of one or two persons. In most cases, the annuity benefit is larger than the income you

had been earning on the assets used to acquire the annuity.

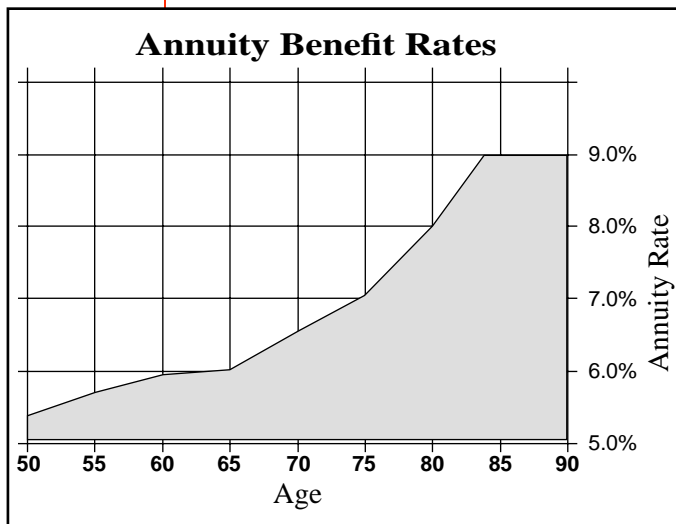
Stability, your income is fixed and you no longer have to worry about changing interest rates or fluctuating investment values.

Satisfaction, you have the satisfaction of providing an important gift to your church and/or other favorite charities.

Flexibility, you choose the frequency of your annuity payments, quarterly or annually.

Simplicity, the annuity contract is very short and simple. The benefits arrive like clockwork.

Savings, a gift annuity saves taxes in several ways. You get an income tax deduction in the year of your gift, 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 other income.



Tax Benefits of a Gift Annuity

A portion of your gift annuity will be used for charitable purposes, entitling you to an income-tax deduction in the year of your gift. In addition, for your life expectancy, 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 other income.

The amount used to fund your gift annuity will also be free of gift and estate taxes. Thus you enjoy tax benefits and income today for a gift that you might otherwise have planned to make in the future through your will or other long-range plans. The tax benefits are the same for one or two persons receiving payments.

Deduction Now, Payment Later

There is a type of annuity that permits you to postpone the starting date of payments for a specified period and still receive an immediate charitable deduction. This is called a Deferred Gift Annuity. This type of gift annuity can be a source of income to supplement your IRAs or other retirement income. To receive further information on this type of annuity, call North Indiana United Methodist Foundation.

Appreciated property may be an ideal asset to fund your annuity. You can convert low-income property into high-income property, tax-free.

Is a gift annuity a type of trust?

No. A charitable gift annuity is a contractual agreement between the donor and a charity such as the Foundation.

Can I withdraw my funds at later date?

To qualify for the tax benefits, the transfer must be permanent.

How often will I receive my annuity payments?

At least annually, but they can be divided into more frequent payments.

Is a gift annuity a good way to provide an income for a surviving spouse?

Yes, many couples enter into gift annuities that will make payments for as long as either of them lives.

Can I give a gift annuity to someone else?

Yes, it is a wonderful gift for a relative or special friend.



Can I have more than one gift annuity?

Yes, creating a new gift annuity each year can earn you higher benefits.

Who can have a two-life gift annuity?

Any two people may establish an annuity contract together.

Is there a difference between the two-life and single-life gift annuity rates?

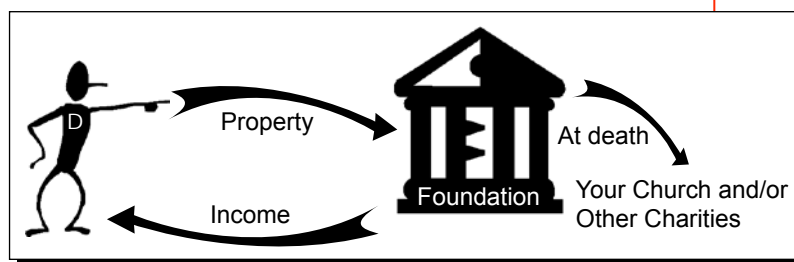
Rates are slightly lower when two persons receive payments for life.

Can a single-life annuity be changed later to a gift annuity for two lives?

No, the number of persons receiving payments must be decided at the time the gift is established.

The answers to your questions are available at the North Indiana United Methodist Foundation. Call today, we will be happy to answer all your questions for this life changing decisions.

You can create a gift annuity to help ease the financial concerns of another person such as your spouse, child, another relative or friend.



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 benefit's 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.

It is easy to help the charitable organizations you care about through a gift annuity with the Foundation.

How Do We Get Started with Our Charitable Gift Annuity?

Gift Annuity Benefits

Excellent Rate

Security

Stability

Satisfaction

Flexibility

Simplicity

Savings

(details on page 2)

1. Call the Foundation and share with us your thoughts and goals.
2. The Foundation will send you information regarding different gifting tools you may want to consider.
3. We will arrange to meet with you to answer your questions and explore the benefits of different options that could be used to achieve your goals.
4. We will develop proposals for the options most appealing to you, develop a comparative analysis and prepare an explanation of the different options. We will send these materials to you for review and study.
5. We will arrange to meet with you to review all materials sent, answer your questions and help you determine which options best meet your needs and help achieve your goals.
6. If you wish, we can provide administrative services for any endowment you may elect to establish for the after death remainder of your annuity. This could provide perpetual benefits to the charities you select.

You are under no obligation to the Foundation by requesting our assistance.

Will You Leave a Legacy?

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

Get Started on a New & Exciting Stewardship Adventure



Our 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.”

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