

## How does a Gift Annuity work?

## More information

UNITED CHURCH OF CHRIST

**G**ift Annuity rates\* are based on age: the older you are, the higher your rate. Multiplying your rate by the amount of your gift will show the annual income amount you would receive over your lifetime.

For example, if your cash gift amount is \$10,000 and the annuity rate for your age is 7%, you would receive \$700 each year for the rest of your life, and approximately \$500 of that income would be tax-free until you reach your actuarial life expectancy. You receive a tax deduction of approximately \$4,900 for the charitable part of the Annuity's value, taken by itemizing deductions on your tax return.



**Gift Annuities are a  
double gift**

At the time of the life beneficiary's death, the remaining value of the Gift Annuity is given to the church or organization the donor named as the remainder beneficiary. The remaining principal may be greater or less than the original gift amount.

You may also consider a Deferred Payment Gift Annuity, which delays income payments until a future date you choose. For instance, if you are 50 years old and wish to make a gift now but defer income to age 65, you may receive a considerably higher annuity rate.

Gift Annuities are a double gift, providing donors with a predictable stream of income for life, then supporting the mission and ministry dear to their hearts beyond their own lifetimes: an opportunity to be faithful and generous and continue the nurturing of financial resources.

\*Call the Office of Philanthropy and Stewardship for current rates.

For more information about  
United Church of Christ  
Planned Gifts, contact:

**THE UNITED CHURCH OF CHRIST  
OFFICE OF PHILANTHROPY  
AND STEWARDSHIP**  
700 Prospect Ave. E  
Cleveland, OH 44115  
Phone: (800) 846-6822  
Fax: (216) 736-2297  
E-mail: [giving@ucc.org](mailto:giving@ucc.org)  
Website: [www.ucc.org/giving](http://www.ucc.org/giving)

Current Gift Annuity rates can be accessed through the UCC Office of Philanthropy and Stewardship web page at [www.ucc.org/giving](http://www.ucc.org/giving) or the American Council on Gift Annuities web site at [www.acga-web.org](http://www.acga-web.org)

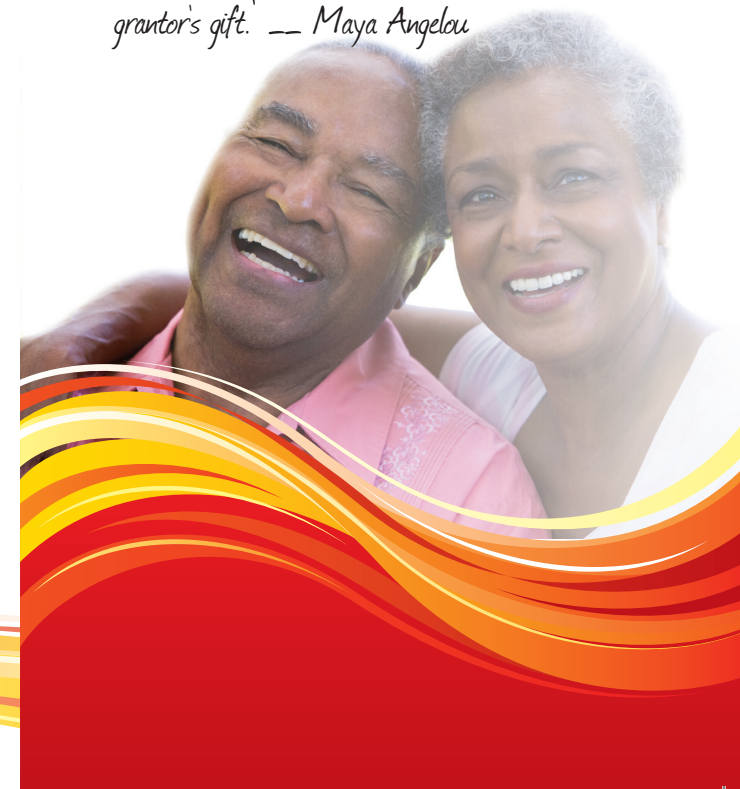
*God is still speaking,*  
**UNITED CHURCH  
OF CHRIST**



# United Church of Christ Gift Annuities



*'When we cast our bread upon the waters  
we can presume that someone downstream  
whose face we will never know will benefit  
from our action, as we who are downstream  
from another will profit from the  
grantor's gift.' — Maya Angelou*



## UCC Gift Annuities

More than a century ago, The American Board of Commissioners for Foreign Missions received its first Charitable Gift Annuity. Since then, thousands of UCC members have established Gift Annuities, receiving lifetime income and providing support for the future mission of the Church.

### What is a Gift Annuity?

A Gift Annuity is an irrevocable agreement in which a donor transfers cash or *appreciated* securities to the United Church of Christ in return for lifetime annual income of a fixed amount. Thereafter, the remaining principal benefits the organization designated by the donor (may be greater or less than original gift amount).

### How is the rate of payment determined?

The annual income is determined by rate tables developed by

the American Council on Gift Annuities which are based on the age of the life income beneficiary at the time the UCC Gift Annuity is established. The payment amount remains fixed for life. Rates are calculated actuarially and set at levels that assure continuing payments to the life beneficiary, with the goal of preserving at least 50% of the original gift value for the designated charitable remainder beneficiary.



A Gift Annuity can help your church and you

## Who can be a life income beneficiary?

One or two persons, minimum age 35, can be designated to receive income from a UCC Gift Annuity. In the case of two-life agreements, payments are made to one for life, and then to the survivor for life.

### Who can be a remainder beneficiary?

At least 50% of a gift's remaining principal must be designated to a UCC-related entity: church; association; conference; national ministry; college or seminary; human services institution; or simply The United Church of Christ. The remaining percentage may be designated to other tax-exempt organizations.

### What are some of the tax implications of this gift?

For tax purposes, a Gift Annuity is considered to be partly the purchase of an annuity, and partly the making of a gift.

**Charitable Deduction.** In the year the Gift Annuity is funded, the donor is entitled to a charitable deduction (for the gift portion), which is claimed by itemizing deductions on one's tax return.

**Tax-Free Income.** A portion of the annual payments may be tax-free until actuarial life expectancy is reached, after which all income is taxed at the ordinary rate.

**Capital Gain Advantage.** If appreciated stock is transferred to fund a Gift Annuity, some capital gain tax may be avoided.

Prospective donors are urged to confer with family and legal/financial advisors to ensure that tax, income, gift, and estate planning objectives are met.

## Who manages UCC Gift Annuities?

The Gift Annuity Fund is a segregated fund which is prudently invested under the management of United Church Funds, an Associated Ministry of the United Church of Christ. (Visit the UCF website at: <[www.unitedchurchfunds.org](http://www.unitedchurchfunds.org)>.)

### What are the fees involved?

There is no fee levied directly against the donor or the remainder beneficiary. Modest administrative and investment management fees are charged each year against the total assets in the Gift Annuity Fund.

### What is the minimum gift amount?

The minimum gift amount to establish a UCC Gift Annuity is \$1,000. Gift Annuities may be funded with either cash or *appreciated* securities.\*

### Deferred Payment Gift Annuities

A Deferred Payment Gift Annuity allows the donor to make a gift now, enjoy a deduction, and delay income until a specified future date, which may result in a higher Gift Annuity rate.

*\*Call the Office of Philanthropy and Stewardship for stock transfer instructions.*



A Gift Annuity: taking care of family now; helping your church later