



Q's & A's about... ...Charitable Gift Annuities

Q. My friend just mentioned she has a Charitable Gift Annuity.

What is a CGA, anyway?

A. A CGA is an irrevocable gift which:
First pays you a lifetime income,
Then provides a generous charitable remainder gift to charity.

Q. Can I choose where I want the "charitable remainder gift" to go?

A. Yes. For example, your church or favorite United Methodist ministry or agency (or some combination of those).

Q. What payment rate would I get from a Charitable Gift Annuity?

A. The rate depends on your age. The chart on the right shows selected ages.

Q. Are my CGA payments taxable?

A. Only a portion. A significant part is tax-free income.

Q. Can I fund a Charitable Gift Annuity with stock instead of cash?

A. Yes. And there are tax advantages. Using appreciated stock has the added benefit of partially bypassing capital gains tax.

AGE	Rate	AGE	Rate
64	4.6%	80	6.8%
68	4.9%	84	7.6%
72	5.4%	88	8.4%
76	6.0%	90+	9.0%

Q. Why is Thelma smiling?

A. Because she is very pleased with her single-life Charitable Gift Annuity.

At age 84, Thelma's \$20,000 annuity gives her a 7.6% payment of \$1,520 each year for her lifetime. In addition, \$1,301 of her annual payment is tax-free. Thelma also receives an \$10,629 charitable income tax deduction, which can be carried forward up to 5 years. And she has peace of mind because she cannot outlive her annuity.

After her life, it provides a generous charitable gift as her legacy to her own local United Methodist church, which she loves and faithfully supports.



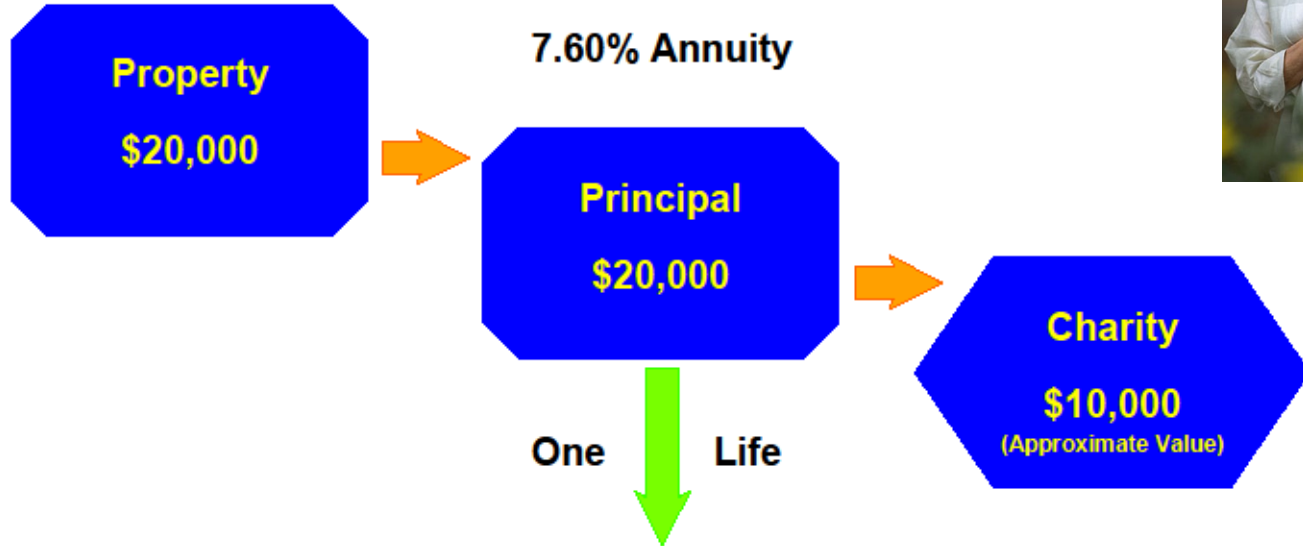
Contact David Bowles at the Foundation for a confidential proposal prepared for your age and amount.
(859) 977-0400 or kumf@kyumc.org

Learn more about legacy gift options to your church at www.kyumc.org/kumf

Charitable Gift Annuity



Thelma Example - Age 84



1. Gift property to charity. Donor receives contract for annuity payments. Income tax deduction of \$10,629 may save \$2,657.

2. Annuity of \$1,520.00 for one life. Tax-free amount \$1,301.12. Estimated one life payout of \$12,312. Effective payout rate 11.3%.

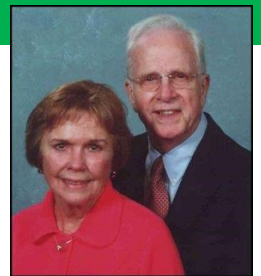
3. Semiannual payments for one life. Property passes to charity with no probate fees. There are also no estate taxes.

This educational illustration is not professional tax or legal advice; consult a tax advisor about your specific situation.

win **1**
win **2**
win **3**

"A Charitable Gift Annuity is a Win-Win-Win Situation!"

Dr. Tom and Frances Cooper of Lexington share why they have planted seeds for their church's future through establishing a charitable gift annuity.



"Achieving a win-win outcome is always a desirable goal. Fulfilling that goal is even better."

"Our two-life charitable gift annuity accomplishes these goals:

- An attractive fixed annual payment for both of our lifetimes,
- An income tax deduction for the gift component of our annuity,
- A generous legacy gift to our own local United Methodist church after our lifetimes."