

## How to Establish a Gift Annuity

Several types of assets may be used to establish a charitable gift annuity.

### Cash

A cash gift is an excellent way to fund a gift annuity, and a large portion of the annuity income will be tax-free.

### Appreciated Securities

Capital gains tax may be bypassed on a gift of appreciated securities (stocks, bonds, etc.) to fund a gift annuity. Payouts can be high depending on age. A portion of the income stream will be taxed at the lower capital gains rate and another portion may be tax-free.

### Real Estate

Highly marketable real estate may be gifted to bypass capital gains tax and provide fixed income for life. Income may include capital gains and tax-free amounts.

*Please contact the Foundation to discuss payment and rate options for your gift annuity.*



## The Charitable Gift Annuity

**Please send me more information regarding charitable gift annuities.**

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

City \_\_\_\_\_

State, Zip \_\_\_\_\_

Church \_\_\_\_\_

Phone \_\_\_\_\_

E-mail \_\_\_\_\_

### For Gift Annuity Illustration:

Date of Birth \_\_\_\_\_

Spouse Date of Birth \_\_\_\_\_

Type of Gift \_\_\_\_\_

Asset Value \_\_\_\_\_

### Mail To:

**The Oklahoma United Methodist  
Foundation**

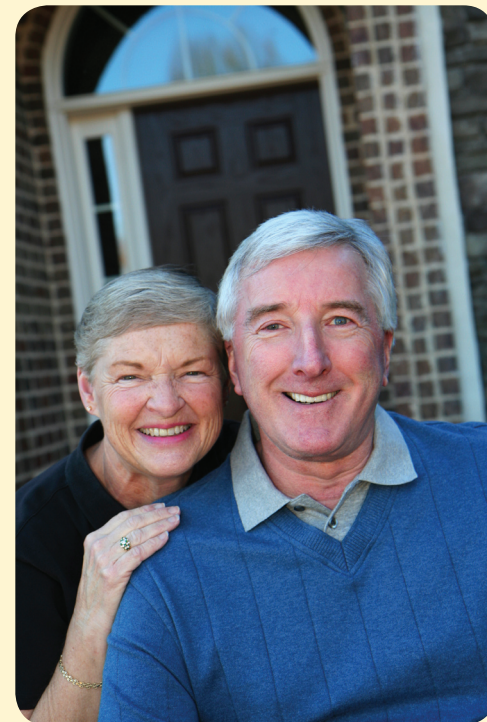
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800-259-6863 [www.okumf.org](http://www.okumf.org)



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# A GUIDE TO GIFT ANNUITIES



*The Oklahoma United  
Methodist Foundation*

# *The Charitable Gift Annuity*

## **What are Gift Annuities?**

A charitable gift annuity is a contract between you and the Oklahoma United Methodist Foundation. To establish a gift annuity, you can transfer cash or appreciated assets to the Foundation and receive fixed income payments for the remainder of your life. The income can be quite significant depending on your age, and a portion of your income payments may be tax-free. Best of all, you will receive a charitable deduction for the value of your future gift, plus the satisfaction of ensuring ministry for future generations.

While you (and/or your spouse if a joint life charitable gift annuity) are still living, you will receive regular payments based on the rate determined at the time of the gift annuity agreement. These payouts are fixed for your lifetime and are backed by the unrestricted assets of the Oklahoma United Methodist Foundation.

Upon your death, the remainder balance of your gift annuity will be converted to an endowment for the United Methodist cause you previously named. This charity will receive payments in perpetuity from your generous gift in your name.

## **Gift Annuity Options**

There are excellent options for establishing a charitable gift annuity. For current income, you may transfer property (or other assets) and receive fixed payments beginning as early as this year. Perhaps you are not ready to begin receiving income until a later date. By establishing a deferred gift annuity, you can take your charitable deduction now and plan to receive payments later.

### *Current Gift Annuity Donor*



Elizabeth purchased stock years ago for \$2,000. The stock appreciated substantially to \$20,000. Elizabeth is nearing retirement and seeking a secure source of income. Because of the fluctuating markets, she wants to sell her stock, but also wants to avoid paying high capital gains taxes. Elizabeth discovered she could transfer her stock to the Foundation and receive fixed annuity payments for life, based on her age. Elizabeth could begin receiving income now, take a current charitable tax deduction and avoid capital gains tax on the gift. A portion of her payments would be tax-free.

Elizabeth transferred her appreciated stock in exchange for the gift annuity and was delighted with the resulting fixed lifetime payments. After Elizabeth's death, the remainder of her gift annuity will be converted to an endowment benefiting her local United Methodist church's mission program.

### *Deferred Gift Annuity Donor*



David recently sold a piece of rental property and is looking to invest part of the cash proceeds from the sale. He is not ready to retire, but interested in investment options providing future income. By funding a deferred gift annuity, David could receive an immediate charitable tax deduction. He could begin taking payments at a fixed date in the future or be flexible with his retirement date.

David set up the deferred gift annuity and received an immediate charitable tax deduction. Upon David's death, the remaining balance of his gift annuity will be converted to an endowment fund for college scholarships. David's legacy will be remembered and students will benefit for years to come.