

# *South Congregational Church*

## **United Church of Christ Gift Annuities**



*“Giving Today for  
Tomorrow’s  
Mission”*

**South Congregational Church,  
UCC  
27 Pleasant St  
Concord NH 03301**

### UCC GIFT ANNUITIES

It was more than a century ago that The American Board of Commissioners for Foreign Missions received its first conditional gift, or Gift Annuity. Since then, thousands of UCC members and friends have made gifts through UCC 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 assets (such as securities or cash) to the United Church of Christ in return for lifetime annual income of a fixed amount.

Thereafter, the remaining principal benefits the part of the UCC and/or UCC-related organization designated by the donor.

### 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, as well as a remainder amount for the designated remainder beneficiary.

### 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; educational, health, or 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 KIND OF 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 made, the donor is entitled to a charitable deduction for that part of the annuity that is considered a gift. This amount is determined by U.S. Treasury Tables. The deduction is claimed by itemizing one's income tax return.

**Tax-Free Income.** A portion of the annual payments may be tax free. Once the investment in the annuity has been recovered, i.e., life expectancy achieved, the entire annuity becomes taxable as ordinary income.

The Financial Development Ministry encourages all prospective donors to consult legal or financial advisors regarding tax implications of gifts.

#### WHO MANAGES UCC GIFT ANNUITIES?

The Gift Annuity Fund is a segregated fund which is conservatively and prudently invested under the auspices of the United Church Foundation.

#### WHAT ARE THE ADMINISTRATIVE FEES INVOLVED?

There is no direct fee levied against the donor or the remainder beneficiary. A modest administrative fee is 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. All Gift Annuities may be funded with either cash or securities.\*

#### DEFERRED PAYMENT GIFT ANNUITIES

A Deferred Payment Gift Annuity allows the donor to make a gift now, enjoy a deduction, and delay income. This annuity provides annual income beginning at a pre-determined date in the future.

\*Call the UCC Financial Development Office for stock transfer instructions.

#### HOW DOES A GIFT ANNUITY "WORK," AND HOW MIGHT IT BENEFIT YOU AND THE UCC?

Gift Annuity rates\* are based on one's 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 \$368.20 of that income would be tax-free. Compare these details with a savings account or certificate of deposit paying 1.5% to 5%, all interest being taxable. The donor of a Gift Annuity receives a charitable tax deduction for part of the gift's value.

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.

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, and 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 UCC Financial Development Office for current rates.

#### NEED MORE INFORMATION?

If you need more information, or would like to talk to someone about Planned Giving, and UCC Gift Annuities, please fill out this page and leave it at the Church Office.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

- I would like more information about Planned Giving
- I've included South Church in my estate plans (and have not previously notified you)
- I would like to talk to someone about Planned Giving and UCC Gift Annuities

For information about making a planned gift, please see Rev. Jed Rardin or Rev. Carlos Jauhola-Straight, or call Ferd Prevost at 224-7863 or Peter Imse at 224-7335. Church Phone: 603 224-2521 [www.sochurch.org](http://www.sochurch.org), or contact:

The United Church of Christ  
Financial Development Ministry  
700 Prospect Avenue  
Cleveland, OH 44115  
Phone: (800) 846-6822  
Fax: (216) 736-2297