



LEAVING A LEGACY:

Planned Giving IN THE United Church of Christ

What is a Planned Gift?

Planned gifts are donations of cash, stocks or other assets pledged during a donor's lifetime and realized by beneficiaries after the donor's death. There are a number of ways to make a planned gift, each with its own advantages, requirements, outcomes and benefits. No matter the form it takes, planned giving is an expression of one's values as well as a commitment to good stewardship — and to those people and organizations we love and cherish.

Good Stewards

As God's people, we are called to be "good stewards" of our world, our gifts, our assets and our relationships. For many, good stewardship includes good financial and estate planning to ensure the security of our families and loved ones. We may also want to provide for the future of organizations that have nourished and shaped us, such as our church, conference, camp, school, hospital, mission or the national ministries of the United Church of Christ. An effective way to achieve this is through Planned Giving.

Planned Gifts Come in Many Packages

● BEQUEST

Gift made through will or trust to individual, church or charitable organization.

● CHARITABLE GIFT ANNUITY (CGA)

A contract between a donor and charity, in which the donor transfers cash or appreciated securities in exchange for partial tax deduction and lifetime stream of income. Church or charity receives remainder after donor's death.

● CHARITABLE REMAINDER TRUST (CRT)

A gift of cash or other asset to an irrevocable trust that provides a donor or non-charity beneficiary with an income stream. Charity receives remaining assets after donor's death.

● INDIVIDUAL RETIREMENT ACCOUNT (IRA) GIFT

Donors may instruct their IRA provider to direct up to \$100K from their IRA to a charitable beneficiary, depending on donor's age. This satisfies donor's required minimum distribution without counting toward taxable income. An IRA gift cannot fund a Life Income contract, such as CGA.



ABCs of CGAs

● APPRECIATED SECURITIES

A donation of securities such as stock, bond or mutual fund shares, in which the donor receives charitable deduction at full, fair market value and capital gains tax reduction.

● POOLED INCOME FUND

Multiple donors contribute to a managed fund. Earnings are distributed based on each donor's share of fund. Donor may take one-time itemized tax deduction and may save on capital gains tax.

● OTHER DEFERRED ASSETS

Donor leaves outright gift of insurance benefits, IRA funds, real estate or appreciated assets to charitable beneficiary at time of death.

TO DECIDE WHICH KIND OF PLANNED GIFT IS RIGHT FOR YOU, SPEAK WITH YOUR FINANCIAL ADVISOR.

Charitable Gift Annuities (CGAs) are a particularly popular form of planned gift because they provide a guaranteed benefit to both the donor and the charitable recipient. In return for a transfer of cash or stock, a charity agrees to pay a fixed amount of money to one or two individual donors, known as "annuitants" or "beneficiaries," in regular installments for life.

For example, if you create a CGA with United Church Funds (UCF), we will invest the cash or stock you donate in a socially responsible investment fund and make fixed payments to you and/or a designated beneficiary until your death.

The remaining principal and any accrued interest will be transferred to the United Church of Christ (UCC) church or ministry of your choice.

Additional benefits include avoiding capital gains tax on any stock donated, taking an immediate tax deduction on your gift, and receiving the income tax-free.

The minimum gift amount to establish a CGA with UCF is \$10,000. Here is an example of what it might look like in actual numbers:

AGE	65	70	75
CGA AMOUNT	\$10,000		
RATE*	5.1%	5.6%	6.2%
ANNUAL PAYMENT	\$510	\$560	\$620
TAX DEDUCTION	\$2,798	\$3,413	\$4,124

*Rates are for illustration purposes only. They represent maximums and may change depending on the recommendation of the American Council on Gift Annuities, which periodically reviews established standards and rates.

Charitable deductions are subject to monthly change (based on the monthly IRS discount rate applicable to the specific gift date).

Two Types of CGAs

IMMEDIATE GIFT ANNUITY - Payments begin immediately. The payment rate is based on the age of the annuitant(s) at the time the gift is made. This strategy is attractive to donors who wish to convert non-income producing assets into annuity payments they receive right away.

DEFERRED PAYMENT GIFT ANNUITY - Payments begin on a future date donor specifies at the time the gift is made. The payment rate is based on the age of the annuitant at the time payments are set to begin and the length of time the payments are deferred. The older the annuitant and the longer the deferment, the higher the rate. This strategy is attractive to donors who know when they will need to begin receiving payments.

Ready to Make Your Planned Gift?

We are happy to help! For more information, or to request a free Estate Planning Guide or personalized Charitable Gift Annuity illustration, simply reach out to our Client Services Team by phone or email.

877-806-4989
plannedgiving@ucfunds.org

We also strongly recommend that you speak to your legal and financial advisers to ensure that your income, tax and philanthropic objectives are met. We look forward to helping you once you're ready to make your Planned Gift and create your lasting legacy.



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