



Charitable Gift Annuity – A Gift to the Church AND Life Income for the Giver

Many retirees in our churches depend on income from their investments to maintain their households. The current economy has affected the market value of investment accounts and interest rates have plummeted as well. Retirement incomes have decreased while inflation and living expenses continue to increase.

A charitable gift annuity is sometimes called a “life income gift” because it *pays a fixed, guaranteed amount annually for one or two lives*, and after death *the remainder is given to the church or other qualified charity*. It is an ideal plan for those who want to provide for their current financial needs, also making a significant gift to others.

The gift annuity rate is based on your age[s] at the time the annuity is established. Depending on your age it will likely be higher than the yield on other investments. Here are sample rates for individuals and couples.

One Life		Two Lives	
Age	Rate	Ages	Rate
70	5.8%	70/70	5.2%
75	6.5%	75/75	5.7%
80	7.5%	80/80	6.3%
85	8.4%	85/85	7.4%

An attractive gift annuity rate is not the only advantage. **Other benefits include:**

- Guaranteed payments for as long as you live.
- An immediate income tax deduction.
- In most instances, payments that are partially tax-free.
- A capital gain reduction if the annuity is funded with appreciated assets.

In addition to increasing your cash flow, a charitable gift annuity helps your church or favorite UMC ministry. At the end of your life (or, with a two-life annuity, the end of both lives), the remainder of the principal you have transferred will be used to support the church’s work in the areas you have designated.

The Foundation can provide customized illustrations, based on a person’s age and the amount of the gift to show how a gift annuity might be beneficial. For more information, please contact Janet Boryk at the Foundation office, 312.346.9766, extension 106, jboryk@umcnic.org.

Practicing Lifelong Generosity



“Bob and I want to give a tithe of our estate to mission and ministry.” Frances Schumm shared the couple’s philosophy of giving, both as a lifelong practice through pledges and offerings, and from the accumulated assets of their estate. Robert Schumm, a Northern Illinois Conference pastor and District Superintendent died in 2003. The Schumms established their first charitable gift annuity in 1986, and to date have funded seven gift annuities, with favorite church and church-related organizations as beneficiaries.

Frances is an active senior and an accomplished musician, who continues to share her musical gift by playing piano during services at her residence. She is a member of Baker Memorial UMC in St. Charles. In addition to accomplishing their estate planning goal of leaving a tithe for their legacy, Frances receives guaranteed, fixed, lifetime payments from each charitable gift annuity. And the interest rate on a gift annuity is set when it is funded, based on the age of the annuitant. “It is one time that it literally pays to get older,” notes Frances.

Her most recent gift annuity was established when Frances celebrated her 80th birthday. In addition, to guaranteed, fixed lifelong payouts (currently 7.6% for donors age 80), and part of it is tax-free.

Most important to Frances is leaving a legacy in support of vital church ministries. She and Bob love their family, love their God and the love the Church. Through their creative giving, they will support all that is important to them for years to come.



Lois Rezeau, a 59 year resident of Park Ridge and First United Methodist Church, loves to be involved in Win/Win situations. With her 88th birthday, it was time to consider moving closer to family. She sold her home and settled in a retirement community in sunny California only one mile from her daughter.

Several years ago, Lois took advantage of another Win/Win situation following a Planned Giving Seminar at her church. She established a charitable gift annuity that gives her fixed, annual payments for the rest of her life. When she dies, the remainder will be given to First UMC. “The gift annuity paid higher interest than a CD,” she explained, “and I told my children long ago that I wanted to leave a gift for the church.” With part of the proceeds from the sale of her home, she established a second gift annuity. Talk about a Win/Win! This annuity pays 9.8% annually. In these days of rock-bottom interest rates on things like CDs, the gift annuity offers an excellent option. In addition, Lois receives a charitable tax deduction this year, and a percentage of the annual payments are also tax-free.

Best of all, the remainder will go to the church. “The church is the heart of my life. We need to live our faith day by day, and we need to renew it – day by day.” Her legacy, funded by charitable gift annuities, is one way she remembers the church that she loves and the faith that surrounds her every day.



Bob and Curlie Engdahl have had quite the life. They raised three children. Bob founded an ink-making business, which he owned and operated for almost 30 years. Faithful members of First United Methodist Church of Elmhurst for more than 48 years, Curlie continues to spend early mornings weekly during the fall months kneading, raising and baking breads for the UMW church bazaar. They share great love for God’s creation. Curlie spent most of her adult life with daily bike trips to savor the sights and smells of God’s good earth, and to build her strength for sailing. They share a love of the sea, and as accomplished sailors, took the trip of a lifetime – sailing around the world, just the two of them.

In their senior years now, they have simplified their life, moving out of their family home into a retirement community in nearby Naperville. They continue to honor the things they have always held dear in their estate plans – their children and grandchildren, Bob’s college, and their church home at First UMC.

Bob and Curlie have left their legacy to these treasures. Knowing how charitable gift annuities work from the gift planned with Bob’s college, the Engdahls have also established a charitable gift annuity to benefit First United Methodist Church of Elmhurst.

A very active United Methodist couple from Northern Illinois conference offers this model of lifelong generosity. They ask that we withhold their names, but they are willing to share their powerful story.

They have had a special love for children for a very long time. They worked in child welfare, had four of their own children, welcomed many foster children and hosted youth participating in the American Field Service Program.

So when they received an inheritance, they established a charitable gift annuity to benefit ChildServ.

Their hearts were touched again as they traveled to Mississippi to help victims of Hurricane Katrina. “UMCOR is there for the long haul. It will be 5-10 years before the rebuilding is complete.” Their work camp helped with tear-down, sanitizing and reconstructing. It was slow work, and about 300 homes were restored earlier that year through volunteer efforts. More than 30,000 homes devastated. Another gift annuity will benefit the ongoing work of UMCOR.

As members of the United Methodist Church, they learned about the work of church-related agencies like Rosecrance that offers drug treatment programs for youth and adults: help, hope and recovery to those whom they serve. A third gift annuity will benefit Rosecrance.

For more information about charitable gift annuities, visit our website at www.nicumf.org. Or contact Janet Boryk, Director of Planned Giving at the Foundation office, 312-346-9766, extension 106, jboryk@umcnic.org.