

*Koinonia*  
**Charitable Gift Annuities**  
*through the Mennonite Foundation*

## **Charitable gift annuities**

*A way to give—and keep on receiving*

A charitable gift annuity through the Mennonite Foundation is a great way to invest in the future of Koinonia while also securing your future. It's a gift that provides you with guaranteed payments for life and frees you from managing funds that you intend to eventually give away. Koinonia is an ecumenical community and is not affiliated with the Mennonite Church, but we have partnered with the highly respected and financially sound Mennonite Foundation to offer several life income plans, including the charitable gift annuity.

### **Advantages of a charitable gift annuity:**

- Receive guaranteed annuity payments for life.
- Save on taxes.
- Divide your gift among as many charities as you like.

### **How it works**

You sign an annuity contract with the Mennonite Foundation with Koinonia named as the beneficiary of the remainder of the annuity upon your death or the death of a second party, usually your spouse. In return, the Mennonite Foundation gives you guaranteed annuity payments at a fixed rate for the rest of your life.

In addition, you get substantial tax savings. Most people can deduct a significant part of their gift right away. Plus, part of the annuity payments you receive may be tax-free.

Of course, you also get the satisfaction of knowing your favorite charities will benefit from your generosity.

### **How to give a gift**

It's easy to set up a gift annuity. All you need to do is fill out a simple form and write a check or transfer stock—we take care of the rest. There are no legal fees to contend with. Plus, you'll get the free advice you need from your Mennonite Foundation representative.

While you can make your gift as large as you like—*the minimum contribution is \$5,000*. Your contribution can be in the form of cash or marketable securities (stocks, bonds, etc.).

Please keep in mind that gifts through a gift annuity are non-refundable.

### **What Koinonia receives**

The gift annuity ensures that Koinonia receives the part of your gift which is left after your death. It also allows Koinonia to anticipate future donations and plan accordingly.

## What you receive

In return for your gift, you receive guaranteed annuity payments for life. You can begin receiving these payments immediately or defer them until a later time. If you're still working, you may wish to defer receiving payments until after you retire.

You can choose whether you'd like to receive the payments yourself or jointly with a spouse—or you can designate someone else as the annuitant. The payments can be sent to you quarterly, semi-annually, or annually.

The fixed annuity rate you'll receive is indicated on the chart below. It is determined by your age when you give a gift and your age when you choose to begin receiving payments.

When you give a gift, you'll also see significant tax savings in two areas.

First, you receive a charitable income tax deduction for a portion of your gift. The older you are, the greater your deduction.

Second, part of each annuity payment you receive may be tax-free. (After you reach your projected life expectancy, all payments will be fully taxable, but you may then be in a lower income tax bracket.)

For your convenience, we will send you income tax reporting information each year. For additional information, please contact Joseph J. Lapp, JD, Koinonia Farm's Mennonite Foundation representative (800.442.7930) or email: [joseph.lapp@mmapartners.org](mailto:joseph.lapp@mmapartners.org).

## What you'll earn (approximately — rates as of July 1, 2003)

... If you choose to receive payments immediately		... If you choose to delay payments		
Age when gift is made	Single life(%)	Age when gift is made	If payments begin at age 65 (%)	If payments begin at age 70 (%)
60	5.7	45	15.9	22.0
65	6.0	50	12.4	17.2
70	6.5	55	9.7	13.5
75	7.1	60	7.6	10.6
80	8.0	65	N/A	8.3
85	9.5			
90	11.3			