

Magis

“Doing More for Others”

SPRING 2011

Gift Planning
Options for You

Marie and Brian Fitzpatrick

Sharing their love
of the JFRC through
a trust



JFRC Alums Marie and Brian Fitzpatrick

Marie and Brian Fitzpatrick fell in love with the John Felice Rome Center—though not at the JFRC—that would come years later. Now they're planning to give back to the place that's so important to both of them.

Marie (JFRC Spring '88, BS '89), a Chicagoan from a large family, worked her way through college as a commuter student at Loyola. She worked in the University's financial aid office and the office of the bursar, eventually saving up enough to go to the JFRC.

“There were plenty of students in Rome for whom it was not a big deal to be there,” says Marie. “But it meant a lot to me that I was able to save enough money to go. The experience of living in Rome opened my eyes to what the world could be.”

After graduating with a degree in psychology, Marie worked in Loyola's financial aid office until 1997. She now works for the U.S. Department of Education's office of Federal Student Aid. “Finishing college changed my life,” she says. “If other students can have that experience, it can change their lives as well.”

Marie owes more than just a college education to financial aid. It was while she was working in the financial aid office at Loyola that she met another JFRC alum and fellow staffer.

In October 1994, Brian Fitzpatrick (AB '92, JFRC '90-'91, Staff '92-'94) had just returned from a stint as an SLA at the JFRC and was working part-time as recruiter for the Rome Center. Marie and Brian met, became friends, and eventually began dating. They have now been married for ten years.

Brian, a New Orleans native, planned to pursue a PhD in classics. But his time at the JFRC—one year as a student and two as an SLA—helped change that. “I worked for John Felice, and he and everyone there had a profound effect on my

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The charitable gift annuity: benefit from your generosity

Charitable giving doesn't have to be a one-way proposition. It is possible to make a charitable gift and actually have an income stream flow back to you—all while generating valuable income-tax benefits.

Numerous charitable strategies allow you to realize such benefits. One of the oldest—and one of the most popular—is the charitable gift annuity.

In this issue of *Magis*, we explore in the informative question-and-answer format how gift annuities work and some of the tremendous planning opportunities they present.

Q. What exactly is a charitable gift annuity?

A: At its heart, a gift annuity is simply a contract between a donor and a charity such as the John Felice Rome Center. In exchange for a gift of a specified amount, we agree to make specified annual payments for life to one or two beneficiaries (annuitants).

Q. Are the funds I contribute for a gift annuity set aside and invested to secure my annual income payments?

A: Actually, the annuitant's security goes far beyond the specific funds contributed for a gift annuity. Our obligation to make gift annuity payments is backed by all the assets of Loyola University Chicago, not just the amount contributed for any individual gift annuity.

Q. How are the payout rates determined?

A: All charities are free to set the rates they offer, as long as the rates comply with any applicable state regulations. Generally, charities choose to follow the schedule of recommended maximum rates published by the American Council on Gift Annuities. The chart on page 3 shows the most recent rates recommended for annuitants of various representative ages.

The charitable IRA rollover is back!

President Obama signed legislation extending the charitable IRA rollover to December 31, 2011, which gives you a golden opportunity to make a charitable gift from your IRA and exclude that amount from your gross income while making an immediate impact at Loyola, allowing you to witness the benefits of your generosity. Since this gift amount will be excluded from your gross income, no charitable income-tax deduction is allowed. To qualify:

- You must be 70½ years of age or older;
- Transfers must go directly from your IRA to this qualified charity;
- The transfer cannot exceed \$100,000; and
- Your gift must be made outright.*

**Transfers to charitable remainder trusts or charitable gift annuities do not qualify.*

SAMPLE BENEFITS OF A \$10,000 GIFT ANNUITY

AGE(S)	PAYOUT RATE	TOTAL ANNUAL INCOME	TAX-FREE PORTION	REPRESENTATIVE CHARITABLE DEDUCTION
One annuitant				
60	5.2%	\$520	\$348	\$1,619
65	5.5%	\$550	\$383	\$2,382
70	5.8%	\$580	\$422	\$3,289
75	6.4%	\$640	\$483	\$4,016
80	7.2%	\$720	\$561	\$4,728
85	8.1%	\$810	\$663	\$5,493
Two annuitants				
65-65	5.1%	\$510	\$352	\$1,229
70-70	5.4%	\$540	\$388	\$2,050
75-75	5.7%	\$570	\$425	\$3,034
80-80	6.3%	\$630	\$488	\$3,811
85-85	7.1%	\$710	\$572	\$4,573

Calculations are based on quarterly payout and a discount rate of 2.4%.

Q. I am married. Can income payments be made as long as either one of us is alive?

A: Absolutely. A gift annuity can be created to pay one or two annuitants for life. It can pay either the donor or the donor and his or her spouse jointly and then the survivor.

Q. How is my charitable tax deduction determined?

A: The charitable deduction is equal to the difference between the amount of the contribution and the value of payments to the annuitant(s). Deductions are lower for younger people because they are likely to live longer. Similarly, deductions are lower when there are two annuitants rather than one.

Q. How are the gift annuity payouts I receive taxed?

A: For tax purposes, a gift annuity contribution is treated as part gift and part purchase of an annuity. The gift portion is the amount deductible the year you create the gift annuity.

The balance is treated as the purchase price for the annuity. It is treated as a return of your original “investment” and comes back to you tax-free over your life expectancy.

Q. Can I give stock instead?

A: Most definitely. If you own stock for more than 12 months, any gain you realize on its sale would be subject to capital-gains tax at rates up to 15 percent.

On the other hand, if you use appreciated stock to fund a gift annuity and retain annual payments for yourself, only a portion of the gain would be taxable—and recognizable in equal amounts over your life expectancy.

Q. I really don't want or need any additional income now. Can I make a current gift and delay receiving the income?

A: The answer is “Yes!” on both counts. This is known as a “deferred” charitable gift annuity. You can make a gift now and designate the time in the future when income payments are to begin.

Next Steps: For more information, return the attached reply card to receive a copy of our new booklet, ***The Charitable Gift Annuity: Guaranteed Income for Life***, or contact us at:

- LUC.edu/plannedgiving
- 800.424.1513
- plannedgiving@luc.edu

SAVE THE DATE

Pippin Curtain Call

Sunday, April 10, 2011
Centennial Forum Student Union
Lake Shore Campus
12:30 Reception
2:00 Performance

Join other members of the Society of the Shield for a special reception and Department of Fine & Performing Arts performance of the award-winning musical *Pippin*.



For more information or to RSVP, call 312.915.6737 or visit LUC.edu/SOSEvents.

10th Annual Founders' Dinner

Saturday, June 11, 2011
Lake Shore Campus

Please visit LUC.edu/founders and vote on which song from past Founders' Dinners you'd like to hear at this year's event. Voting enters you into a drawing to win two free tickets to the 2011 Founders' Dinner!

For more information, call 312.915.7662 or visit LUC.edu/founders.

BE IN TOUCH



Ready to help

When you have questions about making a gift to Loyola University Chicago, the Planned Giving team is ready to answer them. Please call or write us.

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The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated.

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I'd like to know more about

- Ways to provide income for myself and/or others.
 - Including the John Felice Rome Center in my estate plan.
 - Loyola's planned giving society, the Society of the Shield.
-

- I have included the John Felice Rome Center in my estate plan.
- Please send me a complimentary copy of the booklet, *The Charitable Gift Annuity: Guaranteed Income for Life*.

SCORE

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FIND US ON FACEBOOK!



Find old classmates, get the latest JFRC news, and check out photos from every era of the JFRC at the new, official JFRC Facebook page.

You can check it out at facebook.com/JFRCfriends.

If you aren't a Facebook user, you can still read the news and updates and check out the photos. If you are on Facebook, "like" us to show your love for the JFRC and stay in touch!

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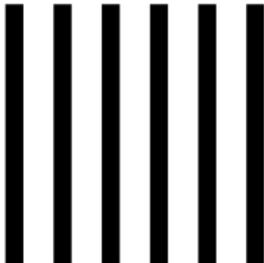
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Marie and Brian Fitzpatrick... *continued from cover*

life,” says Brian. “They taught me a lot of understanding and humility and gave me a different view of what I wanted from my career.”

He left Loyola in 1996 and started “fiddling around with computer programs.” After several years of success in Chicago’s technology sector, he is now an engineering manager at Google’s Chicago office and was named one of *Crain’s* “40 Under 40” this year. He and Marie bought and restored a century-old house in 2004, which is where they now live.

“I owe the Rome Center and John Felice more than I could ever repay.”

They also established a revocable living trust that includes the JFRC as a beneficiary. “Certainly we have provisions for taking care of our family members, but the Rome Center was definitely in the forefront of our minds,” Brian says. “I owe the Rome Center and John Felice more than I could ever repay.”

► Marie and Brian Fitzpatrick created a legacy to support the John Felice Rome Center. Contact us to find how you can create your own legacy of giving.

SEE THE WORLD WITH LOYOLA!



The Loyola Travel Program whisks alumni away to exciting destinations all around the world. Our trips are open to all travel enthusiasts including alumni, family members and friends of graduates, and **John Felice Rome Center alumni**. Some of our upcoming destinations include:

Chianti and the Italian Riviera: September 26–October 5, 2011

Paris and the Villages and Vineyards of France: October 6–16, 2011

Tuscany—Cortona and Florence: October 25–November 3, 2011

For more information, visit LUC.edu/alumni/travel.

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