

Magis

"Doing More for Others"

SPRING 2011

Gift Planning
Options for You

The Shaulis Scholarship

Life-saving care
inspires planned gift

A life-changing experience with the neonatal intensive care unit at Loyola University Health System inspired Susanna Hayes, PhD, to establish a scholarship that will help train young pediatricians.

Dr. Hayes' niece, Maria, and her prematurely born son, Justin, received life-saving care at Loyola. Early in her pregnancy, Maria experienced many complications. At Loyola, she received treatment that helped her regain her health and deliver Justin as soon as his medical team determined that he could survive.

"Had it not been for Loyola, both Maria and Justin were seriously in danger of dying," Dr. Hayes says. "Justin has been and continues to be an extraordinarily gifted and loved child. He is in high school now and loves to learn as much as he can, sharing his experiences to the delight of friends and family."

Dr. Hayes endowed the Justin Shaulis Scholarship in 2004 to be awarded annually to a deserving medical student at Loyola University Chicago Stritch School of Medicine who maintains good academic standing, demonstrates financial need, and plans to pursue a pediatrics specialty. It was important to Dr. Hayes to let Justin know while he was young that his life is a precious gift that she values greatly. She also felt it was important to remind him that it was his medical team that helped sustain both his and his mother's lives.

Recently, Dr. Hayes decided to secure the future of the Justin Shaulis Scholarship through a planned gift to Stritch. She has established a charitable remainder unitrust with the scholarship as beneficiary. With this gift option, the donor transfers assets to the trust and receives a set income from it for a period of years. When the trust terminates, the remaining balance is distributed to the



Lisa De Gregoris, one of two recent Justin Shaulis Scholarship recipients, describes what the scholarship means to her: "It's going to help me choose a specialty based on my passion rather than the ability to repay my loans."

...continued on page 5

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 Loyola University Chicago Stritch School of Medicine. 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, 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 the Stritch School of Medicine, the Planned Giving team is ready to answer them. Please call or write us.

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Magis is published by the Office of Planned Giving at Loyola University Chicago on a periodic basis. This publication illustrates general concepts and ideas in tax and estate planning. The articles are not intended as legal services or advice. You should consult with competent tax and legal professionals as to the applicability of any items to your personal situation.

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 Stritch School of Medicine in my estate plan.
 - Loyola's planned giving society, the Society of the Shield.
-

- I have included the Stritch School of Medicine 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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Spring 2011

FIND US ON FACEBOOK!



Find old classmates, get the latest Loyola news, and hear about LUC events taking place all over the country at the official LUC Facebook page.

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

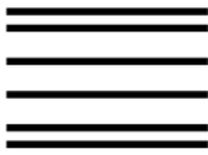
If you aren't a Facebook user, you can still read the news and updates and check out the photos. If you are on Facebook, "like" us to show your love for Loyola and stay in touch!

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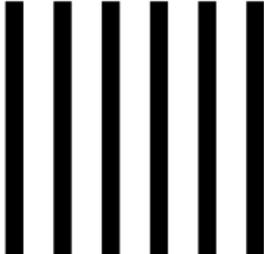
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The Shaulis Scholarship... *continued from cover*

“There is a deep sense of peace and satisfaction in knowing that I can help talented and dedicated young medical students provide essential services to those in need.”

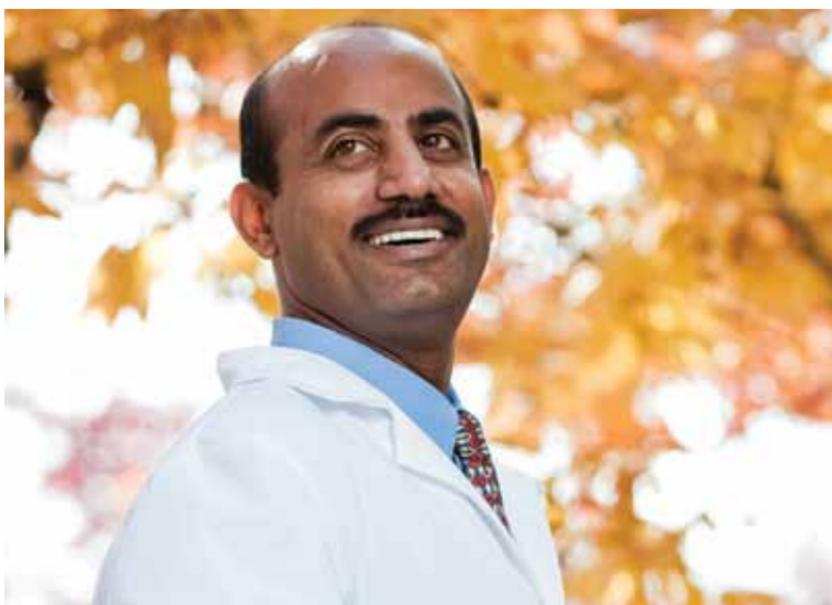
many other contributors who share similar values and beliefs,” says Dr. Hayes. “There is a deep sense of peace and satisfaction in knowing that I can help talented and dedicated young medical students provide essential services to those in need.”

► Dr. Susanna Hayes created a legacy to support Stritch medical students. Contact us to find out how you can create your own legacy of giving.

charitable organization. In this way, Dr. Hayes will receive a steady income stream while also supporting her philanthropic priorities.

“When I make a contribution to Stritch, I know I am joining

INVESTIGATING MATTERS OF THE HEART



The National Institutes of Health has awarded a Loyola researcher a \$1.3 million grant to study a protein that is critical for the functioning of the heart. Sakhivel Sadayappan, PhD, who was awarded the four-year grant, says research at his lab has shown that during a heart attack the protein cMyBP-C breaks into pieces. This fragmentation coincides with damage to heart muscle that leads to heart failure. While scientists still have much to learn about this protein, “Our research could lead to the development of drugs to protect cMyBP-C following a heart attack, limiting damage to heart muscle,” Sadayappan says.

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