

DONOR PROFILE

Paying forward a legacy

DR. RICHARD WELLINGTON POLEY (MD '57)

Dr. Poley (pictured right) was chief of pathology at the former Naval Hospital Oakland. He served in the US Navy Medical Corps and retired with the rank of captain after 28 years of service.



Q: Who was James Patterson?

James Patterson (MD '57, pictured below) and I met at Notre Dame when both of us were in pre-medical training there. Later, we both went to Loyola's Stritch School of Medicine where we became Phi Beta Pi fraternity brothers and good friends. We also both served in the navy though not together.

Q: Why did you set up a scholarship in his honor?

Jim was a hearty Irishman and unflappable, an extraordinary person. When he died suddenly a few years ago, even though I had already been supporting the University financially, I decided it would be good to set up a memorial scholarship in his honor—the James Blake Patterson Scholarship. I have donated toward the scholarship each year and have left a provision in my will to continue funding it.

Q: What do you hope it will do for Stritch students in the future?

The cost of medical education is breathtaking, so every little bit helps. I don't want medical school to only be affordable for students in well-off families. One only needs so much money, and Stritch has done well by me. So I should do the same by it.



Dr. Patterson

“I don't want medical school to only be affordable for students in a well-off family.”

RACHEL ANDERSON, CLASS OF 2016

The 2015–16 recipient of the James Blake Patterson Scholarship

I am fortunate to attend a medical school that teaches social justice at the center of its curriculum. Yet the cost of medical education rises every year. The James Blake Patterson Scholarship is especially meaningful to me as I enter my final year of medical school. I thank Dr. Poley for this wonderful gift, which will help me continue my journey toward becoming a physician next year!

LEGACY SOCIETY Society of the Shield

Loyola's legacy society honors and recognizes alumni, friends, and parents who have generously supported any program at Loyola University Chicago through their estate plans or by making a deferred gift such as a charitable remainder trust or gift annuity. For more information about membership, call Monica Long at 312.915.7641.

➤ LUC.EDU/SHIELD

NON-PROFIT ORG.
U.S. POSTAGE
PAID
PERMIT NO. 5539
CHICAGO, IL

LUC.EDU/GIFTPLANNING

Loyola University Chicago
Office of Gift Planning
820 N. Michigan Avenue
Chicago, IL 60611



READY TO HELP

When you have questions about making a gift to Loyola University Chicago, the Gift Planning team is ready to help. We welcome the opportunity to answer your questions. Please call or write us!

To browse more resources, please visit our website at LUC.edu/giftplanning.

Monica Long
Director of Gift Planning
Water Tower Campus
820 N. Michigan Avenue
Chicago, IL 60611

P: (312) 915-7641
or toll free at 800-424-1513

E: giftplanning@LUC.edu

W: LUC.edu/giftplanning

Loyola Legacy is published by the Office of Gift Planning 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.

HEALTH

LOYOLA UNIVERSITY CHICAGO
STRITCH SCHOOL OF MEDICINE • MARCELLA NIEHOFF SCHOOL OF NURSING

LOYOLA LEGACY

GIFT PLANNING OPTIONS FOR YOU

FALL/WINTER 2015



Invest in your future by making a gift

Planning ahead for your financial future can benefit you, your family, and the charities you care about most. In this issue, we highlight several creative ways you can make a gift to Loyola while maximizing your own finances.

FEATURED TOPICS

- GIVE NOW, INCREASE CASH
- GIVING STOCK IS TAX-WISE
- RETIREMENT INCOME OPTIONS

GIVE NOW TO INCREASE YOUR SPENDABLE CASH

Current low interest rates are causing some of our friends to reexamine plans to make gifts to Loyola when they have passed on. Some are finding that they can lock in substantial benefits by accelerating their plans and making the gift now.

This is especially true if you plan to leave us a farm or a personal residence—your primary home or a second or vacation home. In addition to potential tax savings, this type of gift offers one additional special benefit: you can continue to live in and enjoy the property for the rest of your life. You retain this “life estate” but deduct the value of our “remainder interest,” the right to receive the property outright at your death.

This is an especially good time to consider such a gift. Low interest rates have the effect of increasing the deductible value of the remainder interest you transfer to us.

EXAMPLE: Bill and Susan, both 72, would like us to have their lake home one day. They still enjoy the lake and want to continue to have access to their vacation retreat. The lake home is worth \$450,000. When they learn they can deduct more than \$256,000 with a gift to us, Bill and Susan decide to move forward. Over the next several years, the deduction saves them approximately \$74,500 in federal income tax in their 33-percent tax bracket.

Giving stock is tax-wise

WHY WOULD I WANT TO GIVE STOCK INSTEAD OF CASH?

You receive a double benefit from contributing long-term appreciated stock: you get an income-tax charitable deduction for your gift, and you avoid paying capital gains tax on the paper gain.

MY STOCK IS WORTH MORE THAN I PAID FOR IT. WOULDN'T I GET A HIGHER DEDUCTION IF I GAVE CASH?

No, not at all. As long as you have held the stock for more than 12 months, you can deduct its full fair-market value at the time of your gift regardless of how much you paid for it. If, for example, you donate publicly traded securities valued at \$40,000, purchased several years ago for \$10,000, your deduction will be the full \$40,000.

CAN I TAKE THE ENTIRE DEDUCTION IN THE YEAR I MAKE THE GIFT?

That depends on the size of your gift and the amount of your adjusted gross income (AGI). With gifts of long-term appreciated securities, your charitable deduction is limited to 30 percent of your AGI. Assuming your only contribution is the \$40,000 in securities and your AGI is \$100,000, your deduction will be limited to \$30,000 for the year of your gift.

WILL I LOSE THE DEDUCTION AMOUNT THAT I CAN'T USE BECAUSE OF THE 30 PERCENT LIMITATION?

The unused portion can generally be carried forward and deducted

for up to five additional years. In the example above, you could deduct the remaining \$10,000 of the deduction in the next year, assuming your AGI and other gifts are at levels that permit the deduction. Current gifts are deductible ahead of the unused deductions carried over from prior years.

CAN I EXPECT OTHER TAX SAVINGS WHEN I MAKE A GIFT OF LONG-TERM CAPITAL GAINS SECURITIES?

Yes. As mentioned above, you obtain a double benefit when you make a contribution of appreciated stock. In addition to the charitable deduction, you also avoid capital gains tax on the stock's appreciation.

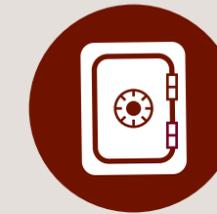
EXAMPLE: If you are in the 33-percent tax bracket and you sell for \$40,000 a block of securities that cost you \$20,000, you will pay a capital gains tax of \$3,000 on the \$20,000 appreciation at the 15 percent capital gains tax rate (\$20,000 x 15 percent). If, however, you contribute the property to our organization, the capital gains tax savings combined with the \$13,200 in tax savings from the charitable deduction will reduce your after-tax cost of the \$40,000 gift to \$23,800 (\$40,000 - \$13,200 - \$3,000).

Take the next step

- Visit our website at LUC.edu/giftplanning
- E-mail us at giftplanning@LUC.edu
- Call us at 800-424-1513

TAKE THE GUESSWORK OUT OF RETIREMENT INCOME

One of the biggest concerns for many Americans is the security of retirement-fund investments. Economic uncertainties make it very difficult to predict exact levels of retirement income. To increase their retirement security, some of our friends are combining charitable planning with retirement planning—a creative strategy that allows them to both fulfill important philanthropic goals and lock in specific levels of retirement income down to the penny while enjoying major tax benefits.



HOW IT WORKS

You transfer assets to Loyola now, and we guarantee to pay you a specific amount each year beginning at the point in the future you choose. You can use your publicly traded stocks or bonds to fund this plan—but your future income does not depend on the performance of the stock market. It is guaranteed regardless of what happens in the market. This plan—called a deferred charitable gift annuity—is a wonderful way to make a significant gift to Loyola and generate increased retirement cash flow.

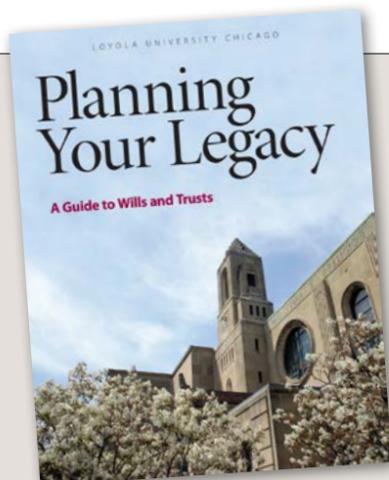


AN ALTERNATIVE TO LOW-RATE CDS

We also offer immediate-payment gift annuities, and many of our friends find the attractive rates (see below) an appealing alternative to the low rates currently available on CDs and other traditional income-producing investments.

IMMEDIATE-PAYMENT GIFT ANNUITY RATES*			
AGE	RATE	AGE	RATE
60	4.4%	60–60	3.9%
65	4.7%	65–65	4.2%
70	5.1%	70–70	4.6%
75	5.8%	75–75	5.0%
80	6.8%	80–80	5.7%
85	7.8%	85–85	6.7%
90	9.0%	90–90	8.2%

*This chart shows the approximate payout rate for a one-life or two-life gift annuity. For example, if Alan and his wife Sarah are both 75, their payout rate would be 5.0% for a two-person annuity. If Joe, age 80 and single, wants a one-person annuity for himself, his rate would be 6.8%.



Request our free planning guide, *Planning Your Legacy: A Guide to Wills and Trusts*

To receive a copy of this helpful and practical workbook, please choose one of the following options:

- Call the Office of Gift Planning at 312.915.7641
- Request information online at LUC.edu/giftplanning
- Return the enclosed reply card
- E-mail giftplanning@LUC.edu