Generation after generation, students at the John Felice Rome Center forge strong bonds with their classmates. Whether for a semester or for a year, students live, study, travel, and create lifelong memories together. For many, those relationships don’t end after returning home.

Some classmates at the JFRC have transformed their bonds of friendship into a legacy that is providing current students at the JFRC with the chance to take full advantage of studying in Europe. By pooling resources, each class year has the opportunity to create an endowed scholarship. So far, six JFRC class years have reached the $25,000 endowment goal.

Steven McNulty, a fifth-year senior at Loyola University Chicago, studied at the JFRC in the fall of 2008. Knowing that his meager budget would be stretched by international travel, McNulty took the initiative and applied for a scholarship to help him achieve his dream of going to Barcelona, Paris, and Dublin.

Nneka Erondu, a junior majoring in finance and a native of St. Louis, also studied at the JFRC in the fall of 2008 and received a scholarship for funds to travel to Barcelona. Although her time at the JFRC was not her first in Europe, it affected her deeply. “It changed my perspective about life and what I wanted to do in college. It broadened my horizons and made me more ambitious. … Now, this summer, I’ll be working for Senator Dick Durbin of Illinois.” —Nneka Erondu, Loyola junior and JFRC scholarship recipient

McNulty, who hails from the Portage Park neighborhood of Chicago, was awarded funds from a JFRC class scholarship that made his dream a reality. “I've wanted to travel the world since I was 10 years old,” he says. “My mom is a nurse and my dad is a blue-collar worker. I'm the first one in my family to leave the country.”

Already a major in political science and international studies, McNulty feels that his time at the JFRC helped shape his college career. “I took Italian Government with a great professor, Claudio Lodici, while I was there. That motivated me to change my concentration to comparative politics.”

The cost of studying abroad in Europe has risen tremendously. In the past, a dinner and a bottle of wine at an osteria cost less than half of what it would in the United States. Now, with the rise of the Euro and the fall of the U.S. dollar, students at the JFRC, while still enjoying access to the sites of Rome
and the chance to experience Italian culture, can’t afford to travel as much as students in past years.

The class scholarship program at the JFRC was established, in part, to help take the sting out of the increasing expense of travel. Additionally, every year, students dream of studying in Rome, but make the determination that they can’t afford it. Funds from the class scholarship can be used to help those students achieve their dream and give many of them their best chance to live abroad.

To represent your class and support a student by giving to your class’s scholarship, or if you have any questions regarding class scholarships, please contact Elaine Kreuz, director of development for the JFRC, at 312.915.7652 or ekreuz@luc.edu. You can also make a gift online at LUC.edu/JFRCgiving.

The secret benefits of the gift annuity

You’ve read about them in recent issues of Generazione del Domani. You, undoubtedly, are already familiar with the essentials of charitable gift annuities:

- You transfer assets (usually cash or publicly traded securities) to a charity.
- One or two beneficiaries receive income for life; the amount depends on the beneficiaries’ ages at the time you establish the annuity.
- A portion of each income payment is usually tax-free.
- You receive a charitable deduction that can reduce your current taxes.
- There are potential gift- and estate-tax savings.
- You make a valuable charitable gift of whatever remains after the payment obligation is satisfied.

What you may not realize is that a gift annuity has multiple uses and that you may fund it with a variety of assets. Read on to learn many little-known uses, applications, and funding ideas.

Have you heard? A gift annuity can …

The typical gift annuity agreement is established with income beginning immediately, either by a single donor who is also the beneficiary or by a couple who are joint and survivor beneficiaries. Surprisingly, there are many other applications.

Support an elderly parent or someone else you care about with additional income

Roger’s mother, aged 82, lives in a retirement home, and Roger has been supplementing her income with a monthly stipend of $650. In his 35 percent bracket, he must earn $1,000 to pay the $650 subsidy.

To provide for his mother in a more tax-efficient manner and to support Loyola, his mother’s favorite charity, he decides to contribute stock worth $100,000 for a gift annuity, naming his mother as beneficiary. She receives $675 per month, and her after-tax income is the same as the amount Roger had been giving her. Roger pays taxes on some of the gain in the stock but still realizes net tax savings generated by the charitable deduction. He also makes a taxable

Did you know that giving in tough economic times can provide more for your heirs?

Find out how at LUC.edu/plannedgiving, where you’ll find charitable giving strategies, up-to-date information on maximizing your gift’s value, an interactive gift planner, and much more.
A capital reunion
The setting couldn’t have been more stunning, or the weather more beautiful, when JFRC alums gathered in Washington DC in April for great food, wine, and conversation. The climax of the event, a dinner at the Embassy of Italy, featured Emilio Iodice, vice president and director of the John Felice Rome Center, and two JFRC alums, Ben Pietrzyk (MA ’06, JFRC fall ’03) and Mary Mattingly (BA ’06, JFRC ’04–’05) who were recently engaged. The couple is working to establish a Washington DC chapter of the JFRC alumni association.

Visit alumni.luc.edu/rome for more news on JFRC alumni events around the country.

A deferred variable annuity
Margaret, 79, paid $50,000 to an insurance company for a deferred variable annuity that now has a cash value of $80,000. She could surrender the contract and pay taxes on her $30,000 gain, or she could have the company pay her an annuity for life. Because she would like to make a gift and could also use some extra money right now, she surrenders the contract and then contributes the proceeds for a gift annuity with Loyola.

She will receive $5,520 per year for life and will pay no taxes on more than 77 percent of her payments during her life expectancy. The taxable gain in the variable annuity will be more than offset by a charitable deduction of $37,626; and she will realize some tax savings.

Series EE savings bonds
Robert and Linda, 76 and 75, made purchases of Series EE savings bonds totaling $40,000. Their value has grown to $66,000. To receive income and also make a gift to Loyola, they surrender the bonds and contribute the proceeds for a gift annuity. Results: Their annual income payments will be $3,696; almost 75 percent of the income will be tax-free for the duration of their life expectancy; and they receive a charitable deduction of $21,965, offsetting the tax on the gain. Had they simply invested the proceeds, they would have paid several thousand dollars in taxes.

Supplement your future retirement income
Joan, 50, would like to supplement her retirement income. She contributes stock valued at $50,000 for a deferred gift annuity with payments to begin when she turns 65. She receives a current tax deduction of $10,090 and can count on payments of $4,900 per year when she turns 65. She plans to establish additional gift annuities in upcoming years.

Turn these assets into income
From an income standpoint, appreciated assets that are not generating current income are “idle assets.” You may be better served by converting such assets to a stream of income that can both supplement your retirement income with payments for life and benefit Loyola. Here are a few examples.

A paid-up life insurance policy
John, 74, no longer needs his life insurance policy with a face value of $100,000. The cash value is $40,000, and the adjusted cost basis is $22,000. He decides to transfer ownership of the policy to Loyola for a gift annuity that pays him $2,440 annually for life. A portion of his payments will be tax-free for the duration of his life expectancy, and he will receive a charitable deduction of $9,038. Note: Had John surrendered the policy for cash, the gain ($18,000) would have been taxed as ordinary income.

gift to his mother but pays no gift tax because of his lifetime exemption.

A capital reunion

Dinner at the Embassy of Italy

Donna Galasso Rissone (JFRC ’63–’64) and Kathy (JFRC ’63–’64) and Tom (JFRC ’63–’64) Rucker

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IRA assets

Sue is 71 and decides to take $40,000 from her IRA this year. She requests a distribution, 20 percent of it is withheld for income tax, and the net amount she receives is $32,000. Then Sue contributes the $32,000 for a gift annuity that will pay her $1,856 each year for life.

The charitable deduction reduces the tax Sue would otherwise owe on the distribution, and the $8,000 withheld should cover the tax.

If she had not established the gift annuity, Sue probably would have paid several thousand dollars of additional tax on the distribution.

Little-known application: Sue could name Loyola as beneficiary of all or a portion of assets remaining in her IRA at the end of her life, with the agreement that the amount we receive will fund an annuity for her nephew, Joe. Thereby, she provides fixed payments to him and eliminates investment risk. Pointer: If Joe instead received payments from her IRA, the payments would escalate with age and could be exhausted with longevity and/or poor investment performance. A charitable gift annuity with Loyola ensures level payments for life, along with your charitable gift.

Save the date!

Alumni Mass and Brunch
Sunday, August 16, 2009
10:30 a.m., Stritch School of Medicine, Maywood, Illinois
The Annual Mass and Brunch honors members of Loyola's Society of the Shield, Damen Society, and Loyola Loyalists.

Family Weekend
September 25–27, 2009

Last year’s inaugural weekend of events was a great success, with more than 1,200 people participating over three days of activities. This year’s weekend celebrating the entire Loyola community with food, tours, games, and more should prove to be even more of a blast.

Visit LUC.edu/familyweekend for more.

For more information

To learn more about gift annuities and their creative uses, please request our complimentary booklet, The Charitable Gift Annuity: Guaranteed Income for Life, by returning the enclosed response card or by visiting www.luc.plannedgifts.org/cga.

Ready to help you

When you have questions about making a gift to the John Felice Rome Center, the planned giving team is ready to answer them. Please call or write us at:

John Felice Rome Center
c/o Loyola University Chicago
Elaine Kreuz, Director of Development
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