The value of generosity
MICHAEL HURTZ (CLASS OF 2015)
HOMETOWN: WHITEFISH BAY, WI

Michael has received the Jack and Joan Mullins Scholarship, the John R. and
Margaret C. Toben Medical Scholarship, and the Geraldine M. Pettifer, MD, Scholar-
ship. You can support medical or nursing students by naming a scholarship through
the University’s Access to Excellence: The Campaign for Scholarships. Learn more
at LUC.edu/scholarshipcampaign, or call the Gift Planning office at 312.915.7641.

Q. What makes Stritch stand out among other medical schools?
A. Many unique things about Loyola University Chicago Stritch School of
Medicine distinguish it from any other medical school that I have seen. The
ministry department is at the heart of Stritch, and the staff makes sure all feel appreciated and welcome.
The deans are there to help us. And there are wonderful professors who
invest their time and energies into the intellectual, spiritual, and emotional
development of future caregivers and researchers.

Q. Why is alumni and scholarship support important for your
education and that of your peers?
A. I sincerely believe that alumni are the source of much of what makes
our school so great. The generosity of students who walked through
these halls in years past helps perpetuate the environment that
makes our school one of a kind. By supporting scholarships, donors
make a vital contribution toward improving health care. Patients
deserve to be treated by professionals who understand
the connection of the
spirit to health, and
those values are
cultivated here.

Q. How are you able to collaborate with your
colleagues at the nursing school?
A. I appreciate the focus on
interprofessional education at the Health Sciences
Campus, particularly the
opportunity to work
alongside students from the Marcella Niehoff
School of Nursing. Together,
we can learn the value of
teamwork and address the
complex health care needs the
world is facing today.

Make smart year-end financial and charitable decisions
As December 31 nears, you may wonder what your options are to
improve your financial position. Read on to learn about three common
year-end challenges facing taxpayers and how your charitable goals can
align with your financial needs.

FEATURED TOPICS
• CAPITAL GAINS TAX
• RETIREMENT INCOME
• TAX FRIENDLY GIFTS

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.

LOYOLA LEGACY
GIFT PLANNING OPTIONS FOR YOU
FALL/WINTER 2014
Top three year-end charitable dilemmas

The end of the year presents an opportunity to put yourself in a better financial position today and in the future. Below are three common year-end dilemmas facing American taxpayers this year. We hope to help you find ways your charitable objectives can work hand-in-hand with your personal financial goals.

DILEMMA 1
How do I deal with those pesky potential capital gains taxes?

Chances are you have had a good year with your stock investments in 2014—a year that saw major stock indices hit all-time highs. Now you may be wondering if you should sell and protect your capital gain.

Immediately reduce or eliminate capital gains taxes by making a gift of appreciated stock to Stritch or Niehoff.

Of course, cashing in your gain comes with a price tag in the form of capital gains tax. If you are in the top income-tax bracket, your realized gain could be taxed as high as 20 percent. Plus you may face an additional 3.8 percent surtax even if you are in a bracket well below the top.

Many charitably minded taxpayers have discovered that they can reduce or eliminate capital gains tax by making a gift to charity. A well-planned gift of stock may let you generate an income-tax deduction based on the full fair-market value of the stock and avoid the capital gains tax. Use appreciated stock for your annual gift to Stritch or Niehoff, or exchange it for a life income plan.

DILEMMA 2
How do I increase my retirement income?

Perhaps you dreamed of travel and other activities during retirement, but because of low interest rates on cash investments and modest dividends on your stock portfolio, you have less income than you anticipated. You could make cash withdrawals, but then you increase the risk of running low on money. You could sell some of your stocks and invest the proceeds in other securities with a greater return potential, but you would be taxed on the capital gain in the stocks you sold.

A solution to this dilemma could be a life income plan with Loyola. In exchange for a gift of cash, stock, or other assets, you (and/or your spouse) would receive payments for life. Loyola has many options, including fixed lifetime payments or payments that fluctuate depending on the total return on the investments held in your particular plan.

In both cases, your payments are likely to be significantly larger than your current cash flow; you may save in taxes; and you will increase the risk of running low on money.

DILEMMA 3
The charitable gifts in my estate won’t produce any tax savings at this new exemption level. What can I do now?

Many taxpayers were delighted when the federal estate and gift-tax exemption was permanently set at five million dollars, indexed for inflation. That means that fewer than one percent of Americans are affected by those taxes. (Note: Some states have a state estate tax with a lower exemption level, so one could be subject to state estate taxes if not to federal estate taxes). But it also means that most estates do not realize any tax savings for charitable gifts that take effect upon death.

Creative donors have discovered a way to capture tax savings for their charitable gifts that increases the amount ultimately passing to heirs: they simply choose to make the gifts during their lifetime. If you are in the position to consider accelerating your gifts, the income-tax savings you create during your lifetime could mean more net assets for your other beneficiaries. Request our free year-end planning guide for more information.

Another strategic and tax-friendly option is to consider which asset you should leave to your heirs and which type of asset you should leave to a charity such as Loyola. Your choice may have an impact on how much your heirs ultimately receive. Read our case study to learn more.

Request our free planning guide, Your Guide to Year-End Planning: 5 Steps You Can Take Today

To receive your copy and get answers to your questions, 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 plannedgiving@LUC.edu

For more information on life income plan options:

LUC.EDU/LIFECOMEGIFTS

Gift annuities may not be available in some states.

CASE STUDY

Make a gift to Stritch or Niehoff and leave more to your heirs

Do you want to support a favorite mission-driven charity as well as your family through your estate? Choosing the right asset to transfer may mean more for both. What many people may not know is that traditional IRAs, 401(k)s, or 403(b)s make excellent deferred gifts to charity. Withdrawals from these retirement plans after death are treated as withdrawals from the estate and are subject to both estate and income tax. However, if you name a qualified charity like Loyola as a beneficiary of your IRA, the gift may escape tax completely!

Meet Sam

In honor of his late wife Nancy (BSN ’62), Sam would like to leave a gift of $100,000 to Loyola’s Niehoff School of Nursing with the balance of his estate going to their two children.

<table>
<thead>
<tr>
<th>$100,000 in an IRA</th>
<th>$300,000 in appreciated securities</th>
<th>$75,000 in cash investments</th>
<th>$325,000 in real estate</th>
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Sam is considering which asset to give to Loyola and what to leave to his children.

**OPTION 1**: Give $100,000 from his general estate assets to Loyola through his will and the IRA to his children.

**OPTION 2**: Name Loyola as the beneficiary of his IRA, and leave his other assets for his children.

By naming Loyola as the remainder beneficiary of his IRA, Sam could maximize the amount he passes to his heirs by saving $39,600 in income taxes that would otherwise be due. (This example assumes that Sam’s estate is not subject to federal and state estate taxes).