Q. What did you value about your time at Loyola?
A: Loyola offered me the opportunity to receive a quality Jesuit education, including an athletic scholarship that made it possible for me to attend. I was a track man who scored the school record in the 100-yard dash over 60 years ago—one that still stands today. I graduated with honors from the English program.

Q. How do you see a Loyola education helping future generations of students?
A: I have nothing but wonderful things to say about a liberal arts education, and the campus today is exquisite. When I was on campus recently, I told Father Garanzini, “What you’ve got here is the Princeton of the Midwest, only you’ve got a better lake.”

Q. Any thoughts for people thinking about a planned gift to Loyola?
A: I recommend that people planning to make gifts to the University consider making a gift directly from their IRA. If Congress renews the IRA rollover provision, those gifts are tax-free for people age 70 ½ and older.

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 312.915.7944.

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
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 reduce 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.

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 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/LIFETIMEGIFTS
Gift annuities may not be available in some states.

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

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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.

CASE STUDY
Make a gift to Loyola 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 (BS ‘60)
Sam, a widower, would like to leave Loyola’s Department of Chemistry a gift of $100,000, with the balance of his estate going to his two children.

His total estate is worth $800,000 and consists of:

- $100,000 in an IRA
- $300,000 in appreciated securities
- $75,000 in cash investments
- $325,000 in real estate

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 save $39,600 in income taxes that would otherwise be due—maximizing the amount he passes to his heirs. (This example assumes that Sam’s estate is not subject to federal and state estate taxes).