

The FAITHFUL STEWARD

A Planned Giving Newsletter sponsored by St Frances of Rome Parish

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- *The Low “Cost” of Donating Appreciated Stock*



As each one has received a gift, use it to serve one another as good stewards of God's varied grace.
(1 Pt 4:10)

Six Good Reasons to Contribute from an IRA before December 31, 2011

Do you own an IRA? Are you over 70^{1/2}? Then here are six reasons (there may be more) why an IRA gift to St Frances of Rome Parish might make good sense in 2011:

1. Your taxes will go down, even if you don't itemize deductions, because IRA gifts reduce taxable income (by taking the place of required minimum IRA distributions).
2. You may reduce taxes on your 2011 Social Security benefits.
3. Amounts contributed from your IRA (up to \$100,000 in 2011) will never be subjected to income taxes or estate taxes.
4. You may be able to preserve a variety of tax deductions and credits, plus eligibility to make Roth IRA contributions.
5. This opportunity expires on December 31, 2011 and may not be renewed.
6. Most importantly, through your generosity, you will help sustain the parish that sustains so many.

Please keep in mind that gifts must be made directly by your IRA trustee or custodian (you should not withdraw IRA funds and then write a check to a charity). Time is growing short for making direct IRA contributions for 2011 and we encourage you to call the rectory if you wish to plan such a gift. You can also call

Rich Goode, the Archdiocese's Director of Planned Giving, at 312/534-7848. He will provide you with information on how to accomplish an IRA gift, like a sample letter for you to send to your IRA custodian requesting a qualified charitable distribution.

Make the Most of Your IRA

People who participate in IRAs encounter important questions. What types of investments should I keep in my IRA? What investments are more appropriate outside my account? What factors enter into my choice of beneficiaries for my IRA?

Maximize Your IRA, a newly updated publication from the Archdiocese of Chicago, covers these and other topics. The booklet also discusses why your IRA might be the ideal estate planning tool for assisting your parish. We'll examine, as well, how your IRA can benefit a surviving spouse or other family members, with eventual benefit to the Church – and good tax savings. And as described above, for friends who are past the age of 70^{1/2}, there is a special opportunity for IRA giving that is available through the end of 2011. We hope you will consider this option if you are eligible, and we encourage everyone to return the slip on the back of this newsletter for your free copy of Maximize Your IRA.

Contributions That Carry a Bonus

People often are surprised to learn that there are different tax results from donating different types of assets. Gifts of highly appreciated securities, for example, are often particularly favorable. For stocks owned more than one year, donors can deduct their original cost plus any "paper profit" present in the gift. Best of all, there are no capital gains taxes due when you contribute securities (stocks, mutual funds, etc.) to charity. *In other words, when you donate stocks owned more than one year, you get to deduct the stock's current fair market value (not just what you paid for the stock) and you never owe taxes on the capital gain.*

Take the example of Mrs. G. The stock

she purchased in 2001 for \$2000 is now worth \$10,000. In other words, her stock carries an \$8000 capital gain. What is the true cost to Mrs. G of donating this stock to her parish? Let's consider this question.

If Mrs. G were to sell the stock, she would owe \$1200 in capital gains taxes (15% of her \$8000 profit). So what is the real value of this stock to Mrs. G? Not \$10,000 because she has to pay a \$1200 capital gains tax if she sells it. Realistically, the stock is worth only \$8800 to Mrs. G, after taxes.

But if Mrs. G gives the stock to her parish, the parish keeps the entire \$10,000 – the fair market value of the

stock – and Mrs. G is entitled to a \$10,000 charitable deduction.

In her 28% bracket, the \$10,000 deduction produces tax savings of \$2800 for Mrs. G.

The true cost of the donation is arrived at by considering the after tax worth of the stock to Mrs. G as well as the tax benefits she receives when she donates the stock. Mrs. G's after-tax cost of a generous \$10,000 gift is only \$6000: \$8800 (the value of the stock to her, after capital gains taxes) minus \$2800 of deduction tax savings.

These tax benefits also apply to other types of appreciated assets, such as mutual funds.

The True Cost of Mrs. G's Donation of Appreciated Stock

WHAT IS HER STOCK REALLY WORTH TO MRS. G IF SHE SELLS IT?

\$10,000 (the stock's current value)

Minus \$1200 (the tax on her gain if she sells)

\$8800 (This is what Mrs. G gets to keep if she sells her stock so this is the stock's true worth to her)

WHAT DOES HER STOCK DONATION REALLY "COST" MRS. G?

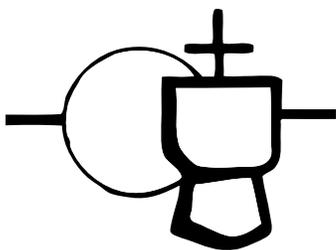
\$8800 (what she would've kept had she sold the stock)

Minus \$2800 (tax savings from her \$10,000 charitable deduction)

\$6000 (taking into account the stock's true worth to Mrs. G and the savings from her deduction, this is the actual "cost" of her donation)

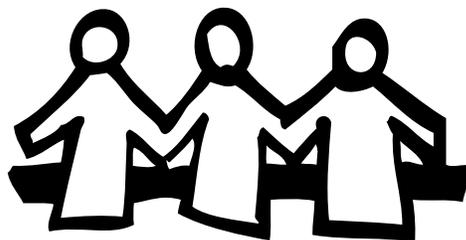
Note: Your tax deduction for a gift of appreciated securities is fixed by the value of the securities on the day your gift is made. For actively traded securities, value is the mean (average) be-

tween the highest and lowest quoted sale price on the date of the gift. So timing can be very important. It is easy to donate stock to St Frances of Rome Parish. Please call the rectory for details.



***Do not forget to do good to others.
And share with them what you have.***

Hebrews 13:16



A Gift Annuity for Mom or Dad

Gift annuities offer a guaranteed income for life when a parishioner makes a donation that will ultimately go to their parish of choice. Usually, a charitable gift annuity is initiated to provide income for the donor herself. A charitable gift annuity can, however, be a satisfying way to provide financial support for a parent (or other family member) and make a gift to St Frances of Rome Parish.

Suppose a parishioner wants to provide financial assistance to her mother, age 85. She could contribute \$10,000 for a gift annuity and the Archdiocese would agree

to pay her mother \$810 a year for the rest of her life. A large part of the payments will be tax free to Mom and the daughter will receive a charitable deduction (the deduction's size depends on the amount of the donation, the age of the annuitant and interest rates at the time the gift is made; it is usually between 35-50% of the amount of the gift). At the end of her mother's life, St Frances of Rome Parish will receive the remaining funds. Please call Rich Goode, the Archdiocese of Chicago's Director of Planned Giving, for more information.

It's Not All Numbers

In the world today, people want measurable results. Indeed, facts and figures are very important. It is also important to remember, however, that God touches lives through all of us at St Frances of Rome Parish in ways that are mysterious and impossible to quantify. Even our reports of funds raised do not adequately reflect the sacrifice and touching generosity of our parishioners.

St Frances of Rome Parish is a place to pray and celebrate sacraments but also a place to come together to do good. When we provide each other the opportunity to follow in Jesus' footsteps, the mystery of our essential goodness unfolds in beautiful ways. We see it every day here. This is hard to include on a spreadsheet.

We witness this when one of us is sick or grieving and the community rallies in support. We see it when we laugh

together and share our regular days. We don't know exactly how it happens but we know our prayer together is an integral part of it. We know deep in our hearts that it is precious.

When parishioners remember St Frances of Rome Parish in their estate plan, they affirm this subtle, mysterious yet world changing work. It is humbling to consider how much our parish must have meant to those who have chosen this generous option. If it makes sense for you and your family, please remember St Frances of Rome Parish in your estate plan.

Thank you for your support of St Frances of Rome Parish.



EXAMPLES OF SINGLE-LIFE GIFT ANNUITY RATES

Age of Recipient	Payout Rate
60	5.2%
62	5.3%
64	5.4%
66	5.5%
68	5.7%
70	5.8%
72	6.0%
74	6.3%
76	6.5%
78	6.8%
80	7.2%
82	7.5%
84	7.9%
86	8.3%
88	8.9%
90 or over	9.5%



*Just to be is a blessing,
just to live is holy.*

Abraham Heschel

INTERESTED?

Learn more about exciting, creative ways to give to the Church, maximizing the tax benefits of giving, and receiving an income for life and more.

Please call Rich Goode, Director of Planned Giving for the Archdiocese of Chicago at 312/534-7848. Check out our web page at www.parishgift.org



Giving Young Children the Gift of an Education Steeped in Faith

Dr. Frank Joseph Milloy Jr, a prominent thoracic surgeon in Chicago, recently bequeathed over \$2 million to Catholic grammar schools. He will be forever remembered for his enormous generosity. A resident of Glencoe, Dr. Milloy passed away in March 2011. He left a permanent legacy through the recent establishment of the Milloy Charitable Educational Grammar School Endowment Fund.

Dr. Milloy's endowment supports Catholic grammar schools, the system's lifeblood. On learning about the gift Sr. Mary Paul McCaughey, the superintendent of Catholic Schools, was moved to tears. "This will make a profound difference at our neediest schools and we feel so blessed that Dr. Milloy would make such a commitment."

Richard Goode, the Director of Planned Giving at the Archdiocese of Chicago, developed a very fond relationship with Dr. Milloy over the years in making sure that his desires were realized. "Although he was an accomplished surgeon, I found Dr. Milloy to be a very humble man, a man of quiet but determined faith. Through his endowment, God will touch the lives of school children in the Archdiocese of Chicago for generations to come."



St Frances of Rome Parish - The Faithful Steward

YES! Please send me your booklet "Maximize Your IRA."

I am considering a provision in my will for St Frances of Rome Parish

I have already provided for St Frances of Rome Parish in my will/trust

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

HOME PHONE _____ E-MAIL _____

Please cut this slip out and mail it to:
Richard S. Goode, Director of Planned Giving • Archdiocese of Chicago • 835 N Rush St. • Chicago, IL 60611