

# The FAITHFUL STEWARD

A Planned Giving Newsletter sponsored by Saint Frances of Rome

## Estate Planning: A Woman's Perspective

Every woman reading this article needs an estate plan, whether she owns large amounts of property or little, whether she is the head of a large household or has no dependents. Every woman needs an estate plan.

### *Estate planning generally includes:*

Making certain that, after your death, your assets will be disposed of according to your wishes.

Protecting against estate "shrinkage" brought on by federal estate tax (estates over \$5.12 million in 2012), Illinois estate taxes (estates over \$3.5 million in 2012), expenses of estate administration, lack of estate liquidity and other costs.

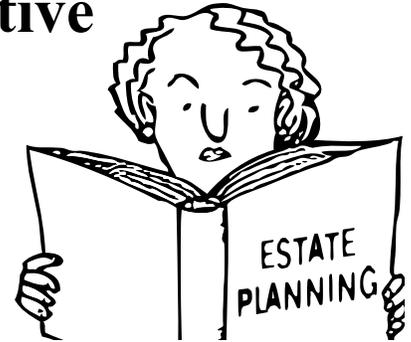
You may also need to take steps to protect beneficiaries with special needs as well as make your wishes known on practical matters such as funeral and burial preferences.

*Your carefully planned will* should be the cornerstone of your total estate plan. It gives form and substance to your concern for the future of your family and other beneficiaries.

*A trust*, created during your life or in your will, may figure prominently in your estate plan. Through a trust you can do things like provide income for loved ones, transfer investment management responsibilities to a trustee of your choosing and perhaps even save on estate taxes and administration costs. Your estate plan also provides an opportunity to remember Saint Frances of Rome, often with meaningful tax and financial rewards.

*A living will and durable power of attorney for health care* should also be a part of your estate planning deliberations. They provide family members and health care providers with much needed guidance in making health care decisions if you are incapacitated.

*An estate inventory* that lists your assets and debts, the location of your



important papers (wills, insurance policies, trust documents etc.) and explains your funeral and burial preferences can prevent confusion and save time for those who will settle your affairs.

Choosing your executor (or successor trustee if you have a living trust) is very, very important. You want to think of at least two people (your first choice and at least one alternate) that you trust to step in and administer your affairs.

The Archdiocese of Chicago has a newly updated booklet, *Estate Planning for Women*, that you can receive without charge or obligation. Simply return the slip or call the Archdiocese's Office for Planned Giving at 312/534-7848.



**IN THIS ISSUE:** You will find useful information about charitable gift annuities and estate plans.

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# Why Are Gift Annuities So Popular with Women?

The Archdiocese of Chicago has been offering charitable gift annuities for years. Recently we noticed that a large number of our annuity payments are sent to women.

Why should charitable gift annuities have particular appeal for women? This first ever charitable gift annuity (circa 1830) was issued to a woman. Since then women have utilized this powerful tool for supporting important causes and receiving an income that will last for life.



Many women are attracted to gift annuity for an obvious reason; they provide a fixed income stream for life, no matter how long they may live. Actuarial tables tell us that women continue to live longer than men by roughly five years, so it's all the more important for women to have "an income they cannot outlive."

Unlike commercial annuities, charitable gift annuities with the Archdiocese of Chicago do not discriminate between men and women when it comes to payout rates: Women receive the same payments as men if identical ages from charitable gift annuities and charitable deductions are equal as well. This is the case even though women stand to receive more benefits over their longer life expectancies.

Here are some creative ways we have seen women use charitable gift annuities with the Archdiocese of Chicago to help themselves, their families and their Church:

## Relief from Low Interest CDs

Mrs. M, age 76, has a \$25,000 CD that is maturing soon. Mrs. M has long considered making a significant gift to her parish. When the CD matures, she decides to transfer the

\$25,000 to a charitable gift annuity for her parish. That charitable gift annuity will pay her \$1500 a year (6%) for the rest of her life. About \$1,200 of her payments will be tax free for the first 12 years and she will also receive a charitable deduction of about \$10,878.

## Assistance for Loved Ones

A charitable gift annuity with the Archdiocese of Chicago can be a great way to provide financial support for a parent, sibling or other family member. For example, A Chicago Catholic school alum who is age 78 wants to help herself and her sister, who is age 86. She could contribute \$100,000 toward a gift annuity to benefit Saint Frances of Rome and we would pay her sister \$5900 a year for life, with lifetime payments continuing for her if she outlives her older sister. She also gets a \$42,000 charitable income tax deduction. Our friend is able to assist her sister, herself and Saint Frances of Rome.

## Providing for Children

Mrs. P plans to help her son put away more for retirement through a deferred payment charitable gift annuity that would begin paying him when he reaches age 66. Mrs. P will be entitled to a significant charitable deduction.

## Current Charitable Gift Annuity Rates

We would be glad to illustrate how a charitable gift annuity might be helpful in your personal situation. Please call Rich Goode, our Director of Planned Giving, at 312/534-7848 for full details. Our gift annuitants not only receive an annual payout that is guaranteed for life (see chart below for sample rates), they also receive a charitable deduction and their annual payment is partially tax free. All this will be detailed in your personal gift annuity proposal.

### ANNUAL BENEFITS PER \$10,000 CONTRIBUTED ANNUITY PAYMENTS TO ONE BENEFICIARY\*

Age	Rate	Annual Payment	Age	Rate	Annual Payment
65	4.7%	\$470	78	6.4%	\$640
68	4.9%	\$490	80	6.8%	\$680
70	5.1%	\$510	82	7.2%	\$720
72	5.4%	\$540	85	7.8%	\$780
75	5.8%	\$580	88	8.4%	\$840
			90+	9.0%	\$900

*\*Rates for gift annuities payable to two people for life are available upon request.*

## STEWARDSHIP

*The life of a Christian steward, lived in imitation of the life of Christ, is challenging, even difficult in many ways; but both here and hereafter it is charged with intense joy.*



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

## Consider Writing a Letter to Your Loved Ones Who Survive

A trend in estate planning has been to leave behind a personal message – a letter to family and friends setting out one's beliefs, values and life experiences.

Often called "ethical wills," these are not legal documents; they are not made for the purpose of distributing valuables. One could argue, however, that they help us leave behind some of our most precious assets – our faith experience, our wisdom and other bits of knowledge drawn from a lifetime.

Writers of "ethical wills" often share the impact that faith had in their lives. Their letters might include personal messages of forgiveness, apology and reconciliation that were left unsaid during life. Many are full of hope and inspiration to those who will carry on.

In composing their ethical wills, people often reflect on how their parents, grandparents, a parish priest or Catholic school teacher impacted their faith lives. In some cases, they are moved to make special provisions in their will or trust memorializing these important people in the form of a bequest to the Church or their Catholic school.

You can find more information on line at [www.ethicalwill.com](http://www.ethicalwill.com) or [www.personalhistorians.com](http://www.personalhistorians.com).



## Simple Gifts Through Your Estate Plan

Here are some easy ideas for including Saint Frances of Rome in your estate plan.

- 1.** Name Saint Frances of Rome to receive all or part of your IRA. Just ask the company that is the trustee or custodian of your IRA to send you a new beneficiary designation form.
- 2.** Make a Life Insurance Gift. Your insurance professional can provide you with the form that names Saint Frances of Rome as the beneficiary of part or all of a policy.
- 3.** Investigate "P.O.D." accounts. Most savings accounts or CDs allow you to designate Saint Frances of Rome to receive the funds in that account at your death, often called "P.O.D." (payable on death) accounts.
- 4.** Leave part of your investment portfolio. Brokerage accounts and mutual funds generally permit investors to name "death" beneficiaries for those assets.
- 5.** Add Saint Frances of Rome when you make or amend your will. Have your lawyer contact our office so we can provide the correct legal name and address.
- 6.** If you have a revocable living trust, include Saint Frances of Rome as a beneficiary. Any immediate gifts made through your living trust are tax deductible.

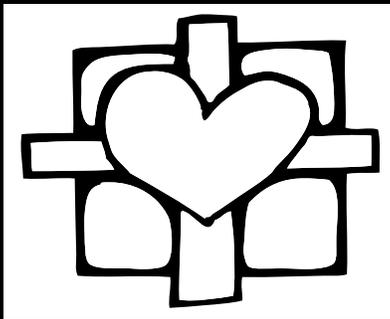
We are here to help. Please call us to ask questions about giving to Saint Frances of Rome during life or through your estate plan.

Most importantly, thank you for your support of Saint Frances of Rome.

## QUESTIONS?

*If you have questions about planned giving or estate planning, feel free to contact Rich Goode. Rich is the Director of Planned Giving for the Archdiocese. He is a lawyer and can serve as a free source of information. Rich is available to answer any questions you may have.*

*You can reach Rich at (312) 534-7848.*



## Checklist for a Safe and Secure Vacation

Vacation season is upon us and here are some tips you might want to consider before packing your bags.

- If your vacation includes foreign travel, ensure that you have a current passport. The State Department is now processing routine passport applications in four to six weeks; two to three weeks for expedited service (call 1-877-487-2778). Look into possible visa requirements as well. The State Department website for passport information is: <http://travel.state.gov/passport>.

- You should also check your health insurance coverage if you are traveling abroad. Medicare generally does not pay for medical care outside the United States. Supplemental insurance is available, either through your regular insurance or through a travel agent. Will you need any vaccinations? Check the website of the Center for Disease Control and Prevention: <http://wwwnc.cdc.gov/travel/destinations/list.aspx>.

- Find out if your automobile insurance covers rental car liability – including damage to the rental car, bodily injury and other property damage.

- Make sure your financial and estate planning affairs are in order. Inspect your will or revocable living trust to see if any changes are needed. If it has been more than five years since your lawyer has reviewed your will or living trust, make an appointment before you leave. Changes in state laws or the tax code may require changes in your will or living trust. Review your living will and health care power of attorney. Don't forget to inform loved ones of where your estate planning documents are located.

As you review your will or living trust, we hope you consider a thoughtful bequest to Saint Frances of Rome. There are many ways to create a special legacy in your will or living trust – options that offer tax savings as well as the satisfaction that giving the gift of faith provides. Please call the parish office or Rich Goode at the Archdiocese (312/534-7848).



## Saint Frances of Rome - The Faithful Steward

**YES!** Please send me your booklet "Estate Planning for Women".

I am considering a provision in my will for Saint Frances of Rome.

I have already provided for Saint Frances of Rome in my will/trust.

NAME

ADDRESS

CITY

STATE

ZIP CODE

HOME PHONE

EMAIL

*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