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Dear Friend,

How often have you struggled with making a decision, when the options before you are either all good or all ominous? Life's choices aren't always easy. But to avoid making a decision can actually create a dilemma of its own. (We've all heard the saying, "Not to decide is to decide.")

I can't tell you how many times I've seen children and parents avoid making a decision about joining our Maryville family. I understand their worry: leaving the comfort of one's home, even when it isn't very comfortable, changes the family structure dramatically. And on top of that, many people just don't like change of any kind, even when it's change for the better.

As we get older, the decisions we make seem to have a greater impact, especially as our circle of family and friends grows. And when it comes to deciding about how to dispose of one's life assets by creating an estate plan, the task can seem overwhelming.

With this issue of *The Vision*, you will find an offer for a free publication that I believe will help with your estate planning decision-making: it's called ***Directions***. Don't hesitate to use the enclosed reply card to request your copy today.

I want to thank you for the decision you have made to be a friend to the children of Maryville Academy. Truly, they owe their lives to you. I pray that you will continue to stand at their side – perhaps even through your estate plan.

Peace and all good,

Sister Catherine M. Ryan, O.S.F.

Sr. Catherine M. Ryan, O.S.F.
Executive Director





Is 2012 the Best Year for Tax-Wise Giving?

The June 9 *Wall Street Journal* contained an article suggesting that the tax rewards for charitable giving may never be better than they are in 2012. The article pointed out that those incentives could decline considerably after December 31st of this year. Under recent legislative proposals, changes could:

- Limit the tax savings of donors in high tax brackets;
- Permit deductions only above a certain floor (similar to medical expense deductions);
- Replace the charitable deduction with a less generous tax credit;
- Calculate donors' tax savings under a lower "flat tax" rate.

With all that in mind, 2012 could be the best year to follow through with important contributions you may have been considering, including gifts of stocks that have grown in value (and that you have owned more than one year). Charitable remainder trusts may appeal to friends who wish to "custom design" gifts that provide them with lifetime income.

IRA Gift Planning While Waiting for Congress

Many friends of Maryville, age 70½ and older, have taken advantage in recent years of a unique ability to make lifetime charitable gifts directly from their IRAs. Unfortunately, the IRA gift law expired in 2011, and Congress may not get around to renewing it until late 2012. Direct IRA gifts to Maryville are attractive because they can satisfy part or all of an IRA owner's annual required minimum distribution – reducing taxable income without the need to itemize deductions. IRA gifts also may ease certain tax penalties and restrictions.

For qualified donors who do itemize their deductions, a good strategy would be to instruct their IRA

It's also vital that you monitor upcoming estate tax legislation in Congress. On January 1, 2013, the federal estate tax exemption is scheduled to drop to only \$1 million (from the current \$5,120,000). Make a rough estimate of your assets and liabilities, so that when Congress does act on estate taxes you'll know if you are covered by the new exemption – and can plan accordingly. Use this occasion also to review your current will and/or living trust, as well as the beneficiary designations on your life insurance, retirement accounts and other arrangements. Ensure that persons you have named to act as trustees, executors or guardians are still able and willing to serve. Consider, too, whether you now wish to add bequests, such as a thoughtful bequest to Maryville Academy.

To help you with the planning process, please don't hesitate to request our publication, *Directions*, which contains many helpful estate planning pointers. Just call our office at 847-294-1950 or complete the enclosed reply card. We'll send your free copy out right away.

custodians to make direct 2012 gifts to Maryville from the account, up to their required minimum distributions. If Congress should fail to renew the IRA provision, donors would be taxable on a minimum distribution but could still take a charitable contribution deduction that avoids tax. If Congress does extend the law, then the IRA charitable distribution would simply not count as taxable income. Our staff is closely monitoring IRA tax legislation, and we encourage you to contact our office before making any IRA gift. To employ this suggested strategy, donors should be 70½ or older and should not make a gift greater than \$100,000 (to follow past year's guidelines).



Did You Know . . .

Gifts of Stock Can Magnify Your Generosity

Tax-savvy donors know that they can magnify their support for Maryville Academy by contributing securities that have gone up in value, thanks to a double tax benefit: contributors avoid all capital gains taxes on the “paper profit” on their investments, and they can deduct the full fair market value of their securities, not just what they paid originally. Donors must have owned their securities more than one year. These tax savings also apply to other types of appreciated assets, such as mutual funds and closely held stock. Our staff would be pleased to walk you through the simple steps to making a gift of securities. Just call our office at 847-294-1950.



The Essential Components of an Effective Will

Executing a will isn't difficult. Numerous websites offer fill-in-the-blank documents. But a truly effective will requires a thoughtful discussion with an attorney specializing in estate planning. The attorney will want to know the names of family and friends you're naming as beneficiaries; the nature of your assets, such as your home, personal property, life insurance, retirement accounts, investments; any special needs of family members; who you wish to name as executor of your estate or guardian for any minor children; and whether you currently have a will or living trust.

Your will should be coordinated with other assets that pass outside probate, such as life insurance, jointly held property and retirement accounts. The attorney may recommend a living trust if your estate is complex or if you reside in a state with a lengthy probate process. Other documents that may be part of an effective estate plan: a power of attorney

in the event of disability, a living will to make your wishes known regarding medical treatment and possibly a letter of instruction regarding items of personal property.

Your attorney will help determine whether federal or state estate taxes will be an issue and suggest ways to reduce or avoid estate and income taxes. This may include bequests to charities such as Maryville Academy. But for most friends, estate tax is not the reason they include a bequest to benefit Maryville. Their bequest is merely a thoughtful way to continue the support they have given during their lifetimes and to enable us to provide care for future generations of children. Please call us if you'd like ideas on ways to include a bequest to Maryville or if you'd like us to work with your attorney to craft a will that provides a lasting legacy of your care and concern.

A Person of Vision

Andrew Lotts got a job he wasn't looking for. And today he couldn't be happier.

When Sister Cathy Ryan first took the reins at Maryville, she did some reorganizing, as any CEO would do. This reorganization included inviting some new people to join the board, and she had heard about Andrew from a mutual acquaintance. Long story short, joining the board of Maryville Academy has been a life-changing experience for Andrew. Today, he holds the position of Treasurer of the Board of Directors.

As he has gotten to know Maryville in greater detail, Andrew has been struck by the comprehensiveness of the programs and the care and compassion that he has witnessed by the staff as they deal with very fragile children. The quality of Maryville's programs has been striking to him.



In fact, Andrew has been so moved by his volunteer work at Maryville that he has decided to create a life insurance policy that makes the Academy both owner and beneficiary. When the Lord calls Andrew home, the future children of Maryville will benefit greatly. In the meantime, through the benefit of current tax laws, he can deduct the annual premium payments. This is truly a win-win arrangement.

When asked what he would tell anyone interested in supporting Maryville Academy, the words came straight from Andrew's heart: "Before you send a check, visit Maryville. You will see Catholic, Christian values being lived in every corridor in every home of this wonderful institution. I wish I could describe my feelings when I walk in the door. Come and see for yourself; you won't be the same once you do."

Our Director of Development

Daniel Summins, CFRE, has been working with individuals and families for more than 20 years to assist them in the gift planning process. If you have any questions, or if you would like to tell your story about why Maryville is important to you, give Dan a call at (847) 294-1950 or send him an e-mail at summins@maryvilleacademy.org.



MARYVILLE ACADEMY

Over 125 Years of Caring for Children

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