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## Dear Friend,

We still have time!

With warm summer days right around the corner, the next couple of months offer us a unique opportunity to reflect on our lives, consider what matters might need attention, and plan so that 2013 is our best year yet.

With age comes wisdom, and most of us have learned that there are certain things we can control – but much that we cannot. It is a lesson that we try to teach our children here at Maryville, but frankly, at their young ages, it can sometimes be a losing battle.

So, as we look ahead to the rest of 2013, it might be helpful to consider what decisions we can make today about situations that we know we can control.

For example, many of us still have a concern about our economy. We think of our future and how we can plan for the security that will give us comfort in the upcoming years. Indeed, this is a challenge. An even greater challenge might be how to plan for the years ahead while also continuing to support people and organizations who mean a good deal to us.

This issue of *The Vision* addresses that very issue. We recently instituted a charitable gift annuity program here at Maryville Academy. This program will allow our friends to continue their generous support of our children while also generating an income for themselves and/or someone they love. Inside there are articles that will allow you to learn more about this very creative way of giving. In addition, we have also included a helpful checklist to determine whether your estate plan needs a “tune-up.”

I pray that the Holy Spirit will guide you in all your decisions, and bring you peace and comfort in the days to come. May those days be filled with much happiness and good health. Be assured that as I kneel before the Lord each day, I remember you and your intentions.

Peace and all good,

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

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

Executive Director





## Current Gift Annuity Rates

Age	Rate
60	4.4%
62	4.5
64	4.6
66	4.8
68	4.9
70	5.1
72	5.4
74	5.7
76	6.0
78	6.4
80	6.8
82	7.2
84	7.6
86	8.0
88	8.4
90+	9.0

## Maryville Now Offering Charitable Gift Annuities

Maryville is now offering charitable gift annuities to our benefactors. How do charitable gift annuities work? A charitable gift annuity is a simple agreement in which you exchange a gift of cash or securities for a fixed income each year for the rest of your life. Your gift annuity offers five distinct advantages:

1. **Payments for life** – at attractive payout rates for one or two lives [rates are based on the age(s) of the beneficiary(ies)];
2. **Tax deduction savings** – a portion of what you transfer will be a deductible charitable gift;
3. **Capital gains tax savings** – when you contribute securities to fund a gift annuity you minimize any capital gains tax;
4. **Tax-free payments** – a large part of your annual payment is tax-free return of principal;
5. **Personal satisfaction** – from making a gift of significance that will benefit Maryville’s children far into the future.



Here’s an example:\* Susan, age 76, decides to contribute \$10,000 to fund a charitable gift annuity. Based on the payout rate for age 76 (6%), she will receive annual payments of \$600 for life, of which \$485 will be tax free during her life expectancy. Furthermore, Susan is entitled to a charitable deduction of \$4,274. But beyond the financial and tax advantages a gift annuity can provide, it can also be an effective, satisfying way for you magnify your support of Maryville.

*\*Please note that payout rates and calculations are specific to each donor and depend on the timing of the gift. Also, Maryville Academy does not issue gift annuities to residents of every state. Please call our office for more details.*



## Options and Benefits with Gift Annuities

**Immediate Payment Gift Annuities.** Most donors choose to have payments begin in the year they make their gifts. Donors can choose to have payments made to one or two persons (husband and wife or brother and sister, for example). For gift annuities funded with cash, about 60% to 80% of the payments will be tax free over the life expectancy of the beneficiary or beneficiaries, and the donor will be entitled to a charitable deduction of approximately 30% to 50% of the amount transferred for the gift annuity.

**Deferred Payment Gift Annuities.** Donors can arrange gift annuities this year but postpone the start of payments several years into the future (until the year of retirement, for example). Deferred gift annuities provide larger payments and charitable deductions compared to immediate payment gift annuities.

**Testamentary Gift Annuities.** Some donors have established charitable gift annuities in their wills, leaving funds to organizations for the purpose of making annual payments to friends or family members. For example, creating a gift annuity through your will to benefit a child or niece or nephew will allow them to enjoy a lifetime income stream rather than receiving a lump sum from your estate, which could be frittered away in a matter of months.

Charitable gift annuities offer special opportunities to retirees who seek relief from low interest rates on CDs, or sons and daughters who provide support for aging parents, or investors who would like to convert stocks to fixed, lifetime income at a minimum of capital gains taxes. Baby boomers may find deferred

annuities to be ideal for augmenting their retirement nest eggs while assisting the children served through the many programs of Maryville Academy.

Would you like to explore the potential a charitable gift annuity may have in your own situation? Just call Dan Summins at (847) 294-1950. Dan can discuss the benefits of a gift annuity that is relevant to your specific situation, and can send along a free, no-obligation illustration. We also have a booklet available that explains even more details about this creative way to support Maryville Academy, *The Charitable Gift Annuity*. You can call and ask Dan for your free copy, or simply return the enclosed reply card.



## Does Your Will Need Updating?

How long has it been since you reviewed your will and other estate planning documents? Some people have wills that were drafted many decades ago, and without regular review and updating, such wills can create confusion and expense for heirs.

Changes in state and federal estate tax laws may have a dramatic effect on your estate plan. Fluctuations in real estate holdings and portfolio assets may shortchange some of your beneficiaries. Here are additional events that require a modification of your will:

- Marriage or divorce or death of a spouse;
- Birth of a child or grandchild;
- A child reaching adulthood;
- Acquisition of new assets by gift or inheritance;
- Giving away or selling assets mentioned in your will;
- Death of a beneficiary named in your will;

- Changes in the needs of your beneficiaries;
- An executor or trustee dies, moves or becomes disabled;
- You move to a different state;
- Purchase or sale of real estate;
- You decide to make additional bequests, such as a gift for the future support of Maryville Academy.

Ask your advisers if you need to revise your will and other estate plans. At the same time, please consider one more thoughtful change: a bequest to future generations of children we serve.

And by the way, there are many situations in which you do not need to completely rewrite your estate planning document. A simple and inexpensive amendment to your living trust or addition of a codicil to your will [a type of legal “P.S.”] may be all that is necessary. Don’t hesitate to contact us or use the enclosed reply card if you would like our free planning guide, *Family Focused Estate Planning*.

## 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 [summinsd@maryvilleacademy.org](mailto:summinsd@maryvilleacademy.org).



## MARYVILLE ACADEMY

*Over 125 Years of Caring for Children*

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