DONOR PROFILE

MILLION-DOLLAR GIFT HONORS MUNDELEIN LEGACY

JOYCE BARRY (MUND '55)

Joyce Barry (pictured below) retired from Marriott International after serving as a dietician and quality control worker. She was a leader in her field and excelled at a time that was challenging for women in the workforce. In her estate plans, she left over a million dollars to Loyola in support of the Gannon Center. The following information was shared by a close friend and classmate, Marie Therese Gauer (MUND '55).

Q: What kind of person was Joyce?

She was a beautiful woman and an excellent friend who was well known in her field. I met her in college, and she lived with her mother and two aunts. All of those ladies were very professional in their work. Joyce loved music and the opera. She used to go to New York City with her mother and aunts for a whole weekend to see two or three operas.

Q: What was Joyce's experience at Mundelein like?

She really valued Sister Mary Pierre, BVM, who ran the Department of Home Economics. When Joyce came to her for guidance and asked, "What do I do?," Sister Pierre responded, "Come to college, and don't worry about it. We'll help you figure it out." Joyce was an excellent student. She was always grateful, as I am, for Mundelein College. The quality education and opportunities Mundelein offered women were wonderful. Joyce wanted to do something to repay that legacy.

Q: What was Joyce's involvement with the Gannon Center?

She kept close ties with Sister Ann Ida Gannon. They had a long-time friendship, and every time Joyce came to campus she made a point to see her. Sister Ann Ida always felt very close to the class of 1955, because it was during our time that she became president of the college.

The significant support from Joyce's estate set into motion the Celebrate Mundelein campaign, which seeks to secure the financial future of the Gannon Center by significantly growing its endowment. Joyce's legacy will provide scholarship assistance in perpetuity to young women working to make a difference in society.

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, please contact the Office of Gift Planning at 800.424.1513 or e-mail giftplanning@LUC.edu.

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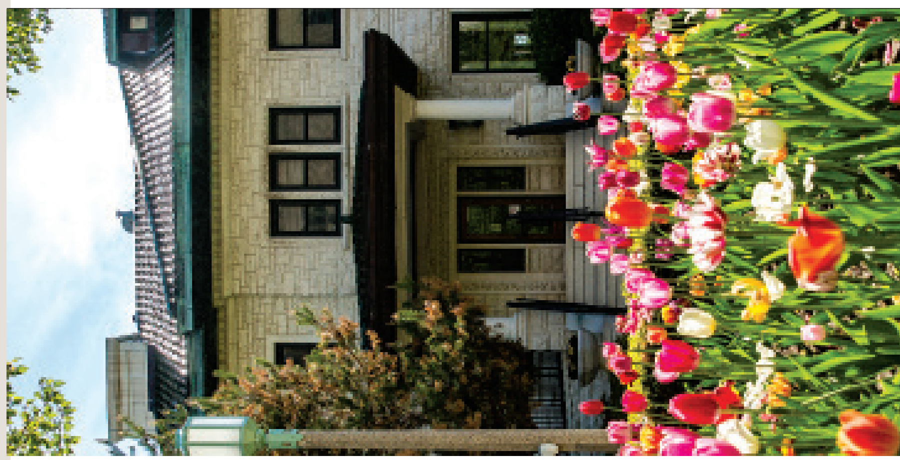

Ready to help

When you have questions about making a gift to Loyola's Gannon Center, the Gift Planning team is ready to help. We welcome the opportunity to answer your questions. Please call or write us!

To browse more resources, visit our website at **LUC.edu/giftplanning.**

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GANNON

LOYOLA LEGACY

GIFT PLANNING OPTIONS FOR YOU

SPRING/SUMMER 2016

Benefit from your generosity

Charitable giving doesn't have to be a one-way proposition. It is possible to make a charitable gift and maintain an income stream—all while generating valuable income-tax benefits. In this issue, we explain how you can support the Gannon Center and plan for your own financial future at the same time.

FEATURED TOPICS

- A GIFT (ANNUITY) THAT KEEPS ON GIVING
- LARGE GIFT HONORS MUNDELEIN LEGACY

Gannon Scholar Mariana Cubillos, Class of 2018

A GIFT (ANNUITY) THAT KEEPS ON GIVING

A charitable gift annuity, as the name suggests, is part *gift*—a contribution of money or property to Loyola—and part *annuity*—an arrangement where the University agrees to pay your designated annuitant(s) fixed payments for life.

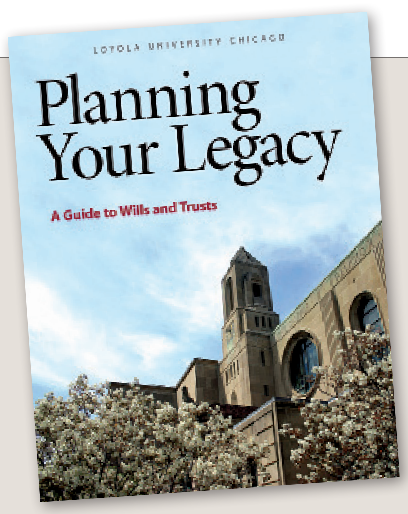
This annuity concept is familiar to many who remember what it was like before the advent of IRAs and 401(k)s. In those days, most people could count on a comfortable old age only if they “did it themselves.” Commercial annuities were sold as a way to accomplish individual retirement programs; people deposited money with a company in exchange for the assurance that they would never run out of income.

This gift component is very important, because it generates two significant tax benefits.

In this respect, a gift annuity is not so different from those commercial annuities. In exchange for a sum of money transferred to Loyola by a donor, Loyola agrees to pay the designated annuitant(s)—usually the donor or the donor and a spouse—a set annuity for life. These payments are backed by the full assets of the University. As with a commercial annuity, a portion of the annual payment—sometimes a substantial portion—is tax-free over the annuitant’s life expectancy as a return of investment.

But here the similarity with a commercial annuity ends. As the name implies, a gift annuity is also part gift. When the last beneficiary has passed on, Loyola receives the funds remaining in the annuity account.

This gift component is very important, because it generates two significant tax benefits. First, since a portion of the gift is treated as a charitable contribution, the donor gets an immediate income-tax deduction. Second, if long-term capital-gain property is used to fund the gift annuity, then part of the gain escapes taxation, and the rest can be spread over the donor/annuitant’s life expectancy.



Request our free planning guide, *Planning Your Legacy: A Guide to Wills and Trusts*

To receive a copy of this helpful and practical workbook, please choose one of the following options:

- Call the Office of Gift Planning at 800.424.1513
- Request information online at **LUC.edu/giftplanning**
- Return the enclosed reply card
- E-mail giftplanning@LUC.edu

YOUR ANNUITY PAYMENTS

The payments are a fixed amount and generally depend on the number (up to two) and age(s) of the beneficiary(ies). For instance, income would be higher for an annuity payable for life to one person, age 70, than to a couple, both 70, because of the longer combined life expectancies of the couple.

$25,000 GIFT ANNUITY

AGE	ANNUITY PAYMENT	TAX-FREE PORTION	CHARITABLE DEDUCTION
60	$1,100	$770	$6,456
65	$1,175	$851	$8,078
70	$1,275	$959	$9,752
75	$1,450	$1,124	$11,066
80	$1,700	$1,355	$12,270

EXAMPLE: John and Mary, both 75, make a gift of $25,000 in return for an annuity of $1,250 per year as long as either of them lives. The gift generates a current income-tax deduction of $9,237. A portion of the annual income is tax free. For the remainder of their life expectancies, $961 of the $1,250 annual payments John and Mary receive will be tax free.

A gift annuity also offers the opportunity to reduce capital-gain tax when long-term appreciated property is used to fund it. And the reduced amount of tax that is payable can be spread over the donor’s life expectancy.

EXAMPLE: Fred, 73, owns stock worth $25,000 that he bought nine years ago for $12,500. If he sells the stock, he will realize a gain of $12,500 and will owe $1,875 in capital-gain tax at the 15% rate.

Instead, Fred uses the stock to fund a gift annuity that will pay him $1,375 per year for life. By doing so, Fred has to recognize only $7,239 of gain, and he can spread that over his life expectancy of 13.8 years at a rate of $525 per year. Plus he receives a charitable deduction of $10,522.

How is the charitable tax deduction for my gift determined?

The charitable deduction is equal to the difference between the amount of the contribution and the value of payments to the annuitant(s). Deductions are lower for younger people, because they are likely to live longer. Similarly, deductions are lower when there are two annuitants rather than one.

Because of its simplicity, a gift annuity typically does not require a great deal of time or expense to complete, making it suitable for gifts of any size and providing several benefits to the donor. Sometimes a gift annuity can be the best choice for the largest gifts.