FAMILY HONORS BELOVED WIFE AND MOTHER WITH NAMED SCHOLARSHIP

TAMARA RODRIGUEZ (BS '67)

Tamara (pictured right) was born in the Dominican Republic and grew up in Skokie, Illinois. After graduating Loyola in 1967, she moved to New York City, where she met her husband, Elvio. She later earned her master's degree at Columbia University and pursued her doctorate from George Washington University. She taught at public and private institutions and became the head of the foreign language department at York Preparatory School. Tamara passed away in 2015.

Her husband, Elvio, and her children—Lisette, Raquel, and Daniel—wanted to create a scholarship in Tamara's honor. They donated to Loyola their family vacation house in Virginia. Proceeds from the sale will fund the "Tamara Rodriguez Scholarship Fund" for Arrupe College students.

Below, Elvio shares about his wife and their family's gift.

Q: What did Tamara value about Loyola?

E • Despite having come to the U.S. from another country, she felt very comfortable at Loyola. The faculty welcomed her, and she thought it was a close-knit community and friendly atmosphere. Loyola offered study-abroad opportunities, so she went to Paris and Rome. She was very proud of Loyola.

Q: Why are you establishing this scholarship in Tamara's memory?

E • Education was very important to her, and she wanted to pay it forward to create opportunities for young people who want to continue their education but don't have the financial resources. Providing this scholarship for students at Arrupe College is exactly what Tamara would have wanted.

Q: What would you like people to know about your wife?

E • She was a great human being, my best friend, and an excellent wife. She was a sweet, caring mother and grandmother. She was my light, and I miss her a lot. This scholarship will help carry on her legacy of educating young people who are financially less fortunate.

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 University Chicago, 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, please visit our website at **LUC.edu/giftplanning.**

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GIFT PLANNING OPTIONS FOR YOU — SPRING/SUMMER 2017

Maximize your giving with real estate

There are many ways to make a gift to Loyola University Chicago with real estate and property. We explore just a few options in this issue: outright gifts, gifts through your will or trust, retained life estate gifts, and charitable remainder trusts.

FEATURED TOPICS

- GIFT OPTIONS WITH REAL ESTATE
- DONOR PROFILE

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GIFT OPTIONS WITH REAL ESTATE

Real estate offers many opportunities to make significant gifts to help fulfill your philanthropic and lifetime goals. In this issue, we explore ways you can maximize your benefits through gifts of real estate.

1 OUTRIGHT GIFT

The easiest real estate transaction merely involves the transfer of a property to Loyola. Once an appraisal has been secured with the fair-market value established and the University has accepted the property, the property is given through a change of ownership on the property's deed.* After the ownership has changed, you can claim a charitable deduction for the fair-market value of the property.

While there is no cash payment or income benefit to you resulting from an outright gift, you may invest the resulting tax savings from the deduction for additional income. You can also establish an endowed fund through the net proceeds of Loyola's sale of your donated property to support an area of the University that is most meaningful to you.

**The donor is required to pay for the appraisal and some fees associated with the change of title on the deed.*

2 WILL OR TRUST

You can give your home, farm, or commercial real estate to us through your will or living trust. Your estate may benefit from the charitable deduction if the total value of your estate exceeds exemption limits. Also, your heirs may not have to manage the sale of property if Loyola is named as the beneficiary of your property in your will or trust.

3 RETAINED LIFE ESTATE

You can donate your home or vacation property and still retain the right to live in and enjoy your property for a number of years or the rest of your life.

You can take an immediate income-tax deduction based on the value of your property, less the estimated value of your right to continue to use the property. Since interest rates are currently so low, you may receive a larger charitable tax deduction from a retained life estate gift at this time of low rates. In the event that failing health requires you to move, you have several options:

- rent the property and retain the rent
- agree to sell the property and retain your share of the sale proceeds
- contribute your life-interest (the right to use the property) for a charitable remainder unitrust and receive payments for life
- contribute your interest outright and receive another charitable deduction.

4 CHARITABLE REMAINDER UNITRUST

This popular instrument could make sense in any of these circumstances:

- You have a **rental property** that has been depreciated, and you would like to sell it.
- You own a **vacation home** that you purchased many years ago, which has appreciated in value, but you seldom use it anymore.
- You have a **large family home** that is getting too expensive or too difficult to maintain, and you have reached a stage of life when it seems wise to downsize and simplify life by moving into a retirement community.

You would transfer the property to the unitrust, and the trustee—which could be Loyola, a financial institution, or you—would sell it. Following the sale, you would receive income for your life and the life of one other person. If you are survived by a spouse or other beneficiary, the payments continue to that person without interruption for his or her lifetime.

Establishing the trust will entitle you to receive a charitable deduction for the present fair-market value of the property placed in the unitrust. When the trust terminates, the University would receive the remaining trust assets to be used for the purpose that you have designated.

CASE STUDY: CHARITABLE REMAINDER UNITRUST

Gilbert and Jeanne, both 67, own a fourplex that they have been renting. The property is valued at $500,000. But because they purchased the property for a lower price and have been depreciating it, their adjusted cost basis is now only $100,000. Maintaining the property has become inconvenient, because they like to be away during the winter. However, they have hesitated to sell the property because of the capital gains tax they would owe.

They decide to contribute the property to a charitable remainder unitrust that, when the property is sold, will pay 6 percent of the assets held and invested by the trust. They avoid tax on capital gain when the property is transferred to the trust, and they receive an income-tax charitable deduction of $151,200, which saves $49,896 given their 33 percent tax bracket. Assuming the net proceeds from the sale are $500,000, they would receive income of $30,000 the first year. Thereafter, their annual payment would vary, depending on the market value of the trust assets. Best of all, they receive this income without any further management responsibility, and the remainder value of the trust will support future programs at Loyola.

Benefits of gifts of property

The first step is to clarify your objectives. Do you want to continue living in your house, or are you ready to move? What are your financial priorities? Are you looking for a charitable deduction now? Do you need to reduce or escape capital gain, or do you need immediate cash—or perhaps more income?

You have numerous planning options to choose from. The following chart shows the benefits of different types of charitable gifts. You can determine which type is preferable based on your personal and financial priorities.

BENEFIT LEVELS OF CHARITABLE GIFTS OF PROPERTY

TYPE OF GIFT	TAX	INCOME	CASH	RETAINED CONTROL
OUTRIGHT	****	—	—	—
BEQUEST	*	—	—	****
RETAINED LIFE ESTATE	***	—	—	***
GIFT AFTER SUBDIVISION	***	*	*	***
CHARITABLE REMAINDER UNITRUST	***	***	—	—
BARGAIN SALE *part sale/part gift*	***	—	**	—
INSTALLMENT BARGAIN SALE	***	**	**	—

BENEFIT LEVEL KEY

**** MAXIMUM   *** GOOD   **MEDIUM   *MINOR   —NONE

A bequest provision does not result in an income-tax deduction, but the amount received qualifies for an estate-tax charitable deduction.

PLANNING POINTER

Are you downsizing? If you are preparing to move from your large family home to a retirement community and the capital gain on your home may be larger than the exemption amount ($250,000 for a single person and $500,000 for a couple), a charitable remainder unitrust could be a solution for you. You can avoid tax on gain when you sell your property and receive income to help cover your monthly costs. You can also retain a percentage of the property and use the proceeds for the deposit on your next property purchase.