



THE SERAPHIM LEGACY SOCIETY

Gift Planning News and Ideas for Special Friends of St. Bonaventure University

SPRING 2014

PLANNING TODAY FOR A HEALTHY TOMORROW

If you have planned to include charitable gifts as part of your long-term estate and financial plans, you may want to consider special alternatives that can be particularly attractive in today's economic climate.

One such alternative is the *charitable gift annuity*. When you give through a St. Bonaventure gift annuity, you make a gift you may not have thought possible, while also arranging for a dependable income supplement that will continue for as long as you and/or your spouse or another loved one live.

A gift annuity helps you make a meaningful charitable gift to St. Bonaventure that can free you from worries about outliving your resources. You will enjoy a fixed source of income for life, one that is

not affected by fluctuating interest rates and the performance of other investment markets.

When you complete a gift annuity, a portion of the value of the funds given to create the annuity is eventually devoted to St. Bonaventure students, much as if you had left a bequest by will. But unlike a charitable bequest, your gift annuity will provide you with welcome benefits today, including income tax savings and regular payments that may be taxed more favorably than other sources of income.

Read on for more information about how you can use cash or other assets to fund a gift annuity with St. Bonaventure. Contact us if we can be of assistance as you or your advisors consider your charitable plans.



In 2013, the Class of 1962 dedicated the refurbished statue of the Blessed Mother to University President Sr. Margaret Carney, O.S.F.

INSIDE:

- Providing for family through a gift annuity
- Make assets work for you and others
- More ways to give

DID YOU KNOW?

The Seraphim Legacy Society was established more than 20 years ago and contains 311 members today.

PROVIDING FOR FAMILY THROUGH A GIFT ANNUITY

Jim Kelley, class of 1955, is a family man—always has been. From an early age, Jim learned the importance of family. When Jim was 17, he lost his father. At that time, he decided to postpone college plans for a year to stay at home in Brasher Falls, N.Y., and take care of his mother and five sisters. After graduating from St. Bonaventure with a business degree, he felt it was his duty to serve in the military. After two years in the Army, Jim tried out a few different careers. After year-long stints with both the state of New York and General Electric, Jim arrived at General Motors, where he spent the next 30 years. One of the best benefits of working at GM was that it introduced him to his wife, Judy, with whom he has two sons and two daughters.

At St. Bonaventure, Jim formed many close relationships. He remembers specifically Fr. Fidelis O'Rourke, O.F.M., first dean of the School of Business. Jim recalls, "I really learned a lot from him. He taught law and his mentoring provided the foundation of a lot of my decisions later in life. Because I came from a small town, I didn't understand much about the way things worked in the business world. But, with Fr.



Jim, '55, and Judy Kelley

Fidelis' mentorship, I learned so much that helped me in my career."

Jim has been happily retired for some time and enjoys traveling with his wife and kids, belonging to a car club in Florida (where everyone is quite jealous of his classic GM Corvair and Chevy Vega), and staying in touch with friends and his St. Bonaventure family every five years at reunions.

He particularly recalls one reunion where the St. Bonaventure gift annuity program was introduced. After learning more about the lifetime payments and tax benefits a gift annuity can provide and because of his desire to support St. Bonaventure, Jim decided on a gift. Jim states, "The older you get, I think annuities get more attractive. They provide a tremendous way to have security for myself and for my wife, while supporting an institution that means a great deal to me. The tax benefits are great, and I have never regretted having the gift annuities."

Family remains important to Jim, and his gift annuity with St. Bonaventure University allows him to provide for himself and his family now and for St. Bonaventure in the future. As Jim says, "With the payments I receive, I can put the money into my savings."



As a valued member of the Seraphim Legacy Society, you play a pivotal role in the success of our students.

MAKE ASSETS WORK FOR YOU AND OTHERS

Through the use of charitable gift annuities, you can make a gift to St. Bonaventure while you also:

- Enjoy generous payments that will continue and never shrink as long as you live.
- Unlock cash flow from low-yielding securities.
- Help support a sibling, parent or other loved one.
- Reduce or eliminate gift, estate and income taxes.
- Avoid unnecessary probate expenses.

ENJOYING THE BENEFITS OF GIFT ANNUITIES

Through charitable gift annuities, you can arrange for additional income that is predictable and will continue for as long as you and/or a loved one live. This popular plan helps donors increase spendable income, provide for asset management and reduce gift, estate and income taxes, all while making a significant gift.

How do gift annuities work?

Under the terms of a charitable gift annuity, you make a gift of cash or appreciated securities through a simple agreement that provides for regular, fixed payments that are designed not to decrease in size or frequency, regardless of interest rate changes or stock market fluctuations.

See the chart at right for examples of rates you can receive.

In addition to increased spendable income, gift annuities provide additional tax and financial benefits:

- A generous federal income tax deduction for a portion of the amount transferred.
- Part of each payment is received free from income tax for a period of time.
- Capital gains tax can be bypassed at the time of the gift.
- Estate taxes, probate expense and delay can be avoided on amounts used to fund your gift annuity.
- Payments can also benefit family or other loved ones, if you wish.
- Freedom from worry about management of assets used to fund the gift annuity.

Gift Annuity Payment Rates for One Person			
Age	Rate	Age	Rate
90+	9.0%	75	5.8%
85	7.8%	70	5.1%
80	6.8%	65	4.7%
<i>For illustrative purposes only. Please contact us for current benefits and rates for other ages and multiple annuitants. Minimum annuity amount is \$25,000; minimum age is 55.</i>			

Choose the best asset

Cash can be the most convenient asset to use to fund your gift annuity. When you give cash for your gift annuity, you will enjoy immediate tax savings. In addition, the maximum amount of each payment may be received free of income tax.

As noted above, securities that have increased in value but yield less spendable income than you would like can also be an excellent choice of asset to give in this way.

MINIMIZE TAX ON RETIREMENT PLAN FUNDS

Are you at the point in life where you may soon be required to make withdrawals from retirement plans? Would you like to reduce the amount of tax due on these withdrawals and have more funds available to provide future income? This can be accomplished through gift annuities as well.

Example: Ben learns that he is nearing the age when he must withdraw funds from his IRA. He already has sufficient income from other sources and does not expect to need these funds for living expenses.

In his tax bracket, he will owe income tax of at least 28 percent on any withdrawals, leaving a reduced amount to reinvest at what he expects will be relatively low rates of return. Estate taxes could also be due on the eventual value of the withdrawn amount.

If he instead were to fund a gift annuity using a portion of any funds withdrawn from his IRA, Ben would reduce the tax on the withdrawal. Based on various rates at the time of his withdrawal, he could be able to transfer withdrawals for a gift annuity which would then make tax-favored payments to him for the remainder of his life. The amount used to fund his gift annuity would also be removed from his taxable estate.

MORE WAYS TO GIVE

Creating a gift annuity is a wonderful way to support St. Bonaventure, but charitable gifts come in many forms. You may want to keep these giving options in mind:

Giving through your will—A will is the most widely used estate planning tool for distributing property. A charitable gift in your will is a convenient way to leave a lasting legacy to St. Bonaventure. After providing for loved ones, you may decide to leave a specific amount, a percentage of your estate or what remains after others you choose have been remembered.

Giving through life insurance, retirement plans and bank or brokerage accounts—If you are like millions of Americans, you have one or more life insurance policies, retirement plans and bank accounts. These assets may be an excellent source for charitable gifts to St. Bonaventure.

Changing the beneficiary designation by naming St. Bonaventure to receive all or a portion of such assets can be an easy process and make a significant difference to future students.

Giving in honor of someone special—Acknowledge the most important people in your life through a charitable gift in their honor to St. Bonaventure. Mother's or Father's Day, birthdays, weddings, anniversaries and other important days offer the perfect opportunity to pay tribute to someone special and promote educational excellence at the same time.

Please contact Robert F. Keenan, Associate Director of Planned Giving, at (800) 664-1273, opt. #2 if you or your advisors need more information as you discuss the charitable dimension of your plans.



Seraphim Legacy Society members John H. Meisch, '58, and his wife, Kay, enjoy the leadership breakfast during the Reunion Weekend 2013.

JOIN THE SERAPHIM LEGACY SOCIETY

The Seraphim Legacy Society honors alumni and friends who preserve and pass on the St. Bonaventure promise through a gift in their long-range estate plans. If you would like to learn more about how to make a legacy gift to St. Bonaventure in your will, trust or other plans, please return the enclosed card or contact Robert Keenan, Associate Director of Planned Giving, at (800) 664-1273, opt. #2.



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