



Forward Thinking

FALL 2011

Financial, estate, and gift planning ideas for Webster University alumni and friends



*Bruce Abernathy MA '79 and
Charla Abernathy BA '86*

Funding the Future: Ours and Webster's

“Work hard! It’s worth it,” Charla Abernathy advises Webster students. Only through hard work did she, and husband Bruce, complete their Webster degrees while rearing two daughters, working, and volunteering in the community.

Bruce found that Webster’s graduate management program offered flexible evening classes. He valued the practical education provided by faculty working in their fields and, as a new St. Louis resident, the business contacts they provided.

Charla delayed completion of her undergraduate degree until their daughters entered school. She admired Webster’s empowering faculty, the small classes, and the perspective of learning alongside both adults and students half her age. Charla attended on scholarship, “which helped our family tremendously,” Bruce states.

Charla subsequently thrived in the world of intellectual property. Bruce launched a successful insurance services business, which he recently sold. While examining the tax liability of the sale and the desire to safeguard their retirement, the Abernathys discovered that charitable plans could help them achieve both goals.

They met with Webster’s gift planning staff and decided to fund a gift annuity with a portion of the sale proceeds. They also elected to defer income until Bruce fully retires, greatly enhancing their charitable deduction. “Our gift provided a tax benefit at the time we needed it,” Bruce states, “and we know that the income will be there when we need it!”

“What we received at Webster has enabled us to be successful enough to give something back,” he adds. Charla agrees, “We both believe that education is very important! As I was a scholarship recipient, we enthusiastically decided to direct our gift as The Bruce and Charla Abernathy Endowed Scholarship.”

Through a note given to each Abernathy Scholar they state, “It is our deepest hope that recipients of this scholarship will be empowered, both personally and professionally, as we have been through our unique Webster University experience.”

Watch the Abernathys share additional thoughts about their Webster experience at www.webster.edu/donors. You might also discover gift plans that fit your situation at www.webster.aboutgiving.net.

Inside:

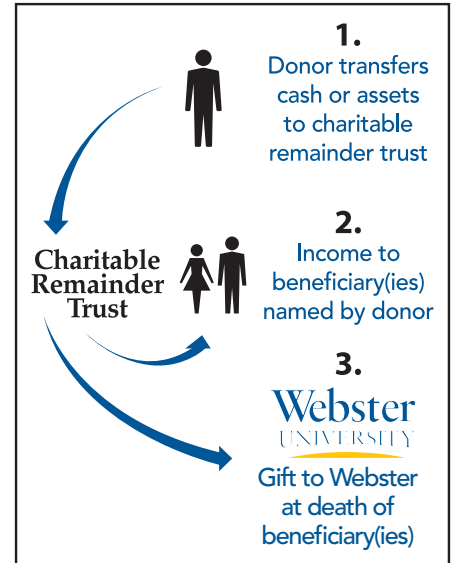
- Ways to give and receive
- Unlock income from U.S. Savings Bonds
- Special IRA giving opportunity expires December 31



Ways to Give...and Receive

In recent months we have experienced tremendous fluctuations in investment markets. In times like these, you may wonder if it is possible to make gifts in support of charitable interests. Fortunately there are ways to make gifts to the University while addressing these concerns. With careful planning, securities and other property that currently yields little or no income can be converted to a source of reliable income.

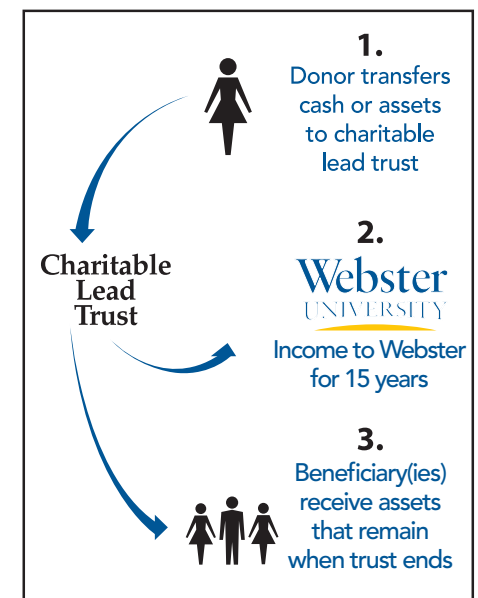
Life income gifts can provide you with income to meet personal financial goals while also supporting Webster University. There are several types of life income gift plans from which to choose.



Charitable lead trust

If you would like to make a gift now, but have the assets returned to you or loved ones at a later time, consider a **charitable lead trust**. Through a lead trust, you can direct income to Webster University for a period of time and then have the trust assets distributed to you or your loved ones at the end of a time period you determine.

A charitable lead trust may be an attractive way to make gifts while providing your heirs with a larger inheritance down the road thanks to estate and gift-tax savings.



Gift annuities

Through a **charitable gift annuity**, you may find you can make a gift to Webster University you never thought possible while providing a dependable source of income for you and/or a loved one. A gift annuity with Webster is an excellent way for our supporters to combine a generous gift with tax benefits and lifetime payments that will never decrease, regardless of economic fluctuations. And rates for older donors have recently increased. Return the attached reply card or call us to receive an example of the benefits for you.

Charitable remainder trust

Or, you may want to make a gift and receive income, either for life or for a limited period of time. Through a **charitable remainder trust**, you transfer assets to a trust and receive either fixed payments or payments that vary from year-to-year depending on the value of the trust.

You will enjoy a generous income tax deduction for the year you make your gift and because the trust is tax-exempt, you won't owe capital gains tax on the sale of the assets when they are placed in the trust. Thus the full value of the assets is available to provide income.

Gift Annuity Payment Rates

Selected Rates for One Person		Selected Rates for Two Persons of the Same Age	
Age	Rate	Ages	Rate
90+	9.8%	90/90	8.8%
85	8.4	85/85	7.4
80	7.5	80/80	6.3
75	6.5	75/75	5.7
70	5.8	70/70	5.2
65	5.3	65/65	4.7

For illustrative purposes only. Please contact our Gift Planning Office for current benefits and rates for other ages.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMXI RFSCO, Inc. All Rights Reserved. NIXX-11

Unlock Income from “Dormant” Savings Bonds

Like many others, you may own U.S. Savings Bonds that stopped earning interest years ago. You may understandably be hesitant to cash them in because of the income tax you would owe on the interest that has accrued over time but never been taxed. If this is the case, see what one donor has accomplished by making a gift with such assets.

Example

Harriet, age 75, bought savings bonds for many years through a payroll plan at work. She decides to use the money from the savings bonds to fund a gift annuity with Webster University that will pay her 6.5 percent of the funding value for the remainder of her life.

In addition to increasing her retirement income, Harriet is entitled to a generous income tax deduction that may largely offset the tax due on the savings bonds’ interest. Not only that, over two-thirds of her payments will be received tax free for a period of time, and the value of the savings bonds will be removed from both her probate and taxable estates.

Learn more

We will be pleased to work with you and your advisors to explore ways you can use U.S. Savings Bonds and other assets to fund gifts that will benefit you as well as the University.



Act Now—Special Giving Opportunity Ends Soon

If you are over 70½ and have a traditional or Roth IRA, you may wish to consider a special provision that allows completely tax-free charitable distributions of IRA funds directly to Webster or other qualified charitable recipients through Dec. 31, 2011. Such gifts will count toward mandatory withdrawal amounts. Gifts can be made in this way in amounts up to \$100,000 per donor. The provision expires at the end of the year. Check with us or your plan administrator for more details.

Enjoy More Income in Later Years

If you do not currently need more income but are concerned that you may need it in the future, consider the benefits of a **deferred gift annuity**. This plan allows you to fund your gift annuity today, but directs that payments not begin until a future time that you determine.

Immediate tax deductions

You won’t postpone your tax benefits, however. Like a regular-payment gift annuity, a deferred gift annuity allows you to enjoy an income tax deduction today.

Assets used to fund your gift annuity will, in most cases, also be immediately removed from your estate for tax purposes. If you have been planning to leave a portion of your estate to charity through your will or other long-range plans, a deferred gift annuity can be a unique way to use future charitable gifts to not only help reduce or eliminate estate taxes, but to decrease your present income tax liabilities as well.

Compare Immediate and Deferred Gift Annuities				
Age Today	Rate for Immediate Gift Annuity	Rate if You Decide to Defer Your Payments for the Following Number of Years*		
		5	7	9
65	5.3%	7.2%	8.1%	9.3%
70	5.8	7.9	8.9	10.3
75	6.5	8.9	10.1	11.6

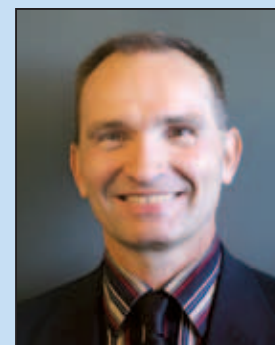
*Rates shown are for single life annuities. Rates for two persons are slightly lower.

Consider a Final Gift from a Charitable Gift Fund

Many friends of Webster are contributing through Donor Advised Funds they have previously established—Fidelity Charitable Gift Fund, Vanguard Charitable Endowment Program, Schwab Charitable Fund and many others. Often, balances remain in these funds at death and are distributed to organizations selected by the investment company. As an alternative, consider requesting that final distributions be shared with the organizations you value. The process is straightforward: contact your fund administrator and complete a form recommending a final lump sum distribution to Webster University.

About making a gift to Webster

Now that tax law changes make it possible for many to leave more property to loved ones free of estate tax, you may wish to reexamine the role of charitable gifts as part of your long-term plans. You may be surprised to learn there are actually ways to provide enhanced security for yourself, a spouse, and/or others while also creating a legacy that will provide support to a favorite charitable institution, such as Webster University. We would be happy to talk to you and/or your advisors about the benefits of charitable gifts as part of your plans.



Ken Nickless

Our gift planning staff is available to respond to your questions and prepare illustrations specific to your needs. Please contact, without obligation:

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fax: (314) 968-7108
e-mail: nickleke@webster.edu
www.webster.aboutgiving.net



For more information...

- I would like to learn more about making a gift
- through my will or living trust of life insurance
 - of retirement plan remainders of securities
 - of real estate that provides me, or loved ones, with income.
 - that benefits Webster for a period of years, then is returned to me or family members.

Name *(please print)* _____

Address _____

City _____ State _____ Zip _____

Telephone *(optional)* _____

E-mail *(optional)* _____

- I would consider including Webster University in my estate plans.
- I have already included Webster University in my estate plans.
- I am interested in making a gift to the University's Annual Fund and would like a University representative to contact me.

This information will be kept strictly confidential

FOLD AND SEAL (DO NOT STAPLE) FOR MAILING.



PLACE
STAMP
HERE

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WEBSTER UNIVERSITY