



# Forward Thinking

FALL 2010

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



*Fred and Margaret "Peg"  
Jostedt Czufin '47*

## Inside:

- The Advantages of Giving Securities
- Q&A About Year-end Giving
- Considering a Roth IRA Conversion?

## Seeking Solutions?

How might charitable gift plans provide tax or income benefits for you—and your heirs? Information for you and your advisors is available at [www.webster.aboutgiving.net](http://www.webster.aboutgiving.net).

## Perfecting the Fine Art of Living!

Famous for her red pen, Margaret "Peg" Jostedt Czufin '47 could no doubt edit prose or advertising copy in her sleep. On one occasion she critiqued historical information printed with the dinner menu at St. Louis' Union Station and graciously presented it to the manager. He sent flowers to her room!

Peg's linguistic skills were matched by the talent of her husband, Fred, an artist remembered for always sending the alumni office hand-painted holiday cards celebrating angels. More broadly, Fred is remembered as the designer of the original Busch Bavarian beer can label. Together they comprised an advertising *tour de force* in St. Louis and New York.

Peg credits much of her success to the strengths she found within as a Webster student. Her father died when she was 3 and, as a young woman with seven siblings, she never had visions of attending college. But a teacher recognized her talent and encouraged Peg to attend Webster. All academic scholarships had been awarded by the time of her application, but Webster awarded her a service scholarship in the Registrar's Office.

"Webster saved me!" Peg recalls. "I found myself elected sophomore class president and thought, 'I must have leadership skills!'" Classmates agreed, as she was reelected her junior year and as Student Government president in her senior year.

Following graduation, Peg found many ways to repay Webster. Charged through her early television employer to create public service programming, she frequently recruited talented Webster actors, writers, and scholars to entertain and enlighten St. Louis audiences.

Peg was later asked to be the voice of alumni on Webster's first lay board, established when the Sisters of Loretto transferred ownership of the school to the community. For her lifelong service and loyalty, Peg was awarded the Alumni Association's highest honor in 2005, the *Mary Elizabeth Newell Award*.

Retirement in Williamsburg, Virginia merely provided additional opportunity for community involvement. Both Fred and Peg became active in William & Mary's *Christopher Wren Association for Lifelong Learning*, leading classes for which waiting lists always existed. Fred ascended to president of the Association.

*Continued on back page*



# Making the Most of Your Gifts

If you are planning to make charitable gifts to Webster University before the end of the year, you may want to pay special attention to what and when you choose to give.

## *What to give*

Cash and checks are the most popular means of making charitable gifts. Through such gifts completed by December 31 and deducted on this year's tax return, it may be possible to eliminate tax on up to half of your 2010 adjusted gross income (AGI). In some cases, gifts may be "carried over" to reduce taxes in up to five additional years.

And, unlike many other deductions, charitable gifts are deductible from both regular and alternative minimum taxes.

## *Advantages of giving securities*

As you consider your gifts this fall, keep in mind that securities and certain other assets owned for more than one year that are worth more than you paid for them are generally deductible at their full current value. In other words, you are allowed to deduct not only what you paid for the property but also any "paper profit" or gain in the investment.

As a result, you completely bypass capital gains tax that would otherwise be due. Additionally, you may be able to eliminate tax on a large portion of your AGI in this way.

For instance, Mike and Anne normally make charitable gifts in the form of cash. This year they decide instead to give stock that has increased in value since they have owned it. They are then able to deduct the full value of the stock while completely bypassing capital gains tax.

## *Give and "lock in" value of stocks*

Pamela owns securities that are worth significantly more than she paid for them. She believes they may further appreciate in the future but is not sure.

Instead of giving cash, Pamela decides to make a gift to Webster using these securities. She is entitled to a tax deduction for their full value. Pamela then uses the cash she had set aside for her charitable gift to repurchase the same number of shares at the current market price.

She now owns the same number of shares as before, but she has effectively "locked in" a new, higher cost basis while bypassing tax on the gain prior to the time of her gift.

If the new shares increase in value, she will have less gain to report when she eventually sells the stock. If their value declines, she may be able to deduct the loss for tax purposes.

## *Utilize losses*

If you have investments that have decreased in value since you have owned them, consider selling them (thereby creating a loss you may be able to deduct) and giving the cash proceeds. "Harvesting" losses in this way can result in tax deductions that actually total more than the current value of the investment.

Check with us or your advisors for more information about tax-favored gifts of securities and other assets.

## Reduce Alternative Minimum Tax

Increasing numbers of taxpayers have been surprised to learn they owe additional taxes due to the Alternative Minimum Tax (AMT). Over 21 million taxpayers are expected to be impacted by the AMT this year. While many deductions and adjustments do not apply for AMT calculation purposes, charitable gifts are deductible under both the regular and alternative minimum tax systems.

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. ©MMX RFSCO, Inc. All Rights Reserved. NYXX-10

# Q&A About Year-end Giving

## Q. Why should I consider making a gift before the end of the year?

A. You may want to take a special look at the timing of your gifts in order to maximize your tax savings. Only gifts completed by December 31 will be available to help reduce your tax bill for this year. Your tax rate determines how much you save: the higher your rate, the more you save from each dollar donated. If your state also taxes your income, your savings may be even greater.

## Q. Should I consider delaying my gifts until next year when taxes rates may be higher and my deductions worth more?

A. While it is true that deductions can save you more when you are in a higher tax bracket, that is only part of the picture. You must also consider the fact that limits on deductions for higher income taxpayers are scheduled to return in 2011 and there have been proposals to further limit the value of charitable and other income tax deductions. In that case, gifts made this year may save substantially more taxes than next year. Keep in mind also that if you do not make gifts this year, you will owe tax next April on the amounts not given.

## Q. Why should I arrange my gifts to Webster as early as possible?

A. In order to enjoy tax benefits for charitable gifts this year, gifts must be completed no later than December 31. It's best to begin discussing your plans with advisors early to assure enough time to complete transfers and avoid hasty last-minute decisions.

## Q. I understand the benefits of giving appreciated securities. But what is the most economical way to give securities that have gone down in value?

A. To give depreciated securities, it is usually best to sell the asset and then give the cash proceeds. This may enable you to take a deduction for the capital loss in addition to a deduction for the charitable gift, thereby making it possible for you to deduct more than the current value of the property.



For information about making a gift of securities to Webster University, please go to [www.webster.edu/securities](http://www.webster.edu/securities).

## Considering a Roth IRA Conversion?

It has been estimated that some 14 million persons will take advantage this year of new opportunities to convert a traditional IRA to a Roth IRA. If you are looking for ways to minimize the taxes due on the conversion, you may want to explore how you can combine a Roth conversion with charitable gifts in ways that minimize or eliminate your tax liability.

There are also ways to give that enable you to make gifts to your charitable interests today while retaining income for yourself and/or your loved ones. You may benefit from professional asset management as well as capital gain and other tax savings.

Other planning tools allow you to create charitable gifts for a period of time before providing a tax-free inheritance for your loved ones.

Please let us know if we can furnish more information to you or your advisors to assist you in the charitable aspects of your plans.

## Fine Art of Living ... continued from page 1

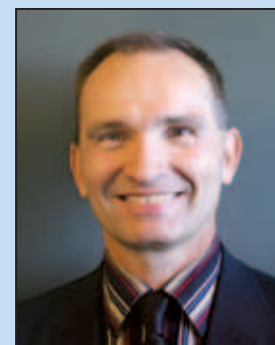
The Czufins also strengthened the marketing efforts of many Williamsburg charitable organizations through *Pro Bono Associates* “*Professional Creative Work Gratis*.” They found ways to remain connected to Webster, often hosting dinners or receptions for School of Education students and alumni lifelong learning groups visiting Colonial Williamsburg.

In a 2000 letter to the Alumni Office, the Czufins shared the news of separate bequests from their estates. In that letter Fred wrote, “I have been tremendously impressed with the philosophy, mission, and accomplishments of Webster, and I’m pleased to be able to make this modest gift to Webster.” To that Peg added, “I consider my bequest to Webster a small gift compared to the remarkable liberal arts education I received at Webster. My pride in being a Webster graduate has grown consistently through the more than half a century since the Class of 1947 planted its ivy at the base of Webster Hall.”

Fred passed away in November 2009 and was remembered through the *Virginia Gazette* as one who perfected the fine art of life! Peg has since returned to her St. Louis roots—living only one block from campus. This spring she will have the opportunity to meet the Fred Czufin Scholar, William Edwards, (biology), during Webster’s annual scholarship dinner. “I can’t wait,” Peg said, “to share my gratitude to Webster and hopes for William when we meet! Perhaps he will, from time to time, think of Fred and me through life’s journey.”

### **More information available**

If you are interested in making a gift to Webster University, as the Czufins have done, simply return the attached card for more information. There are many giving options available. Some can provide an income to a loved one or supplement your own or your spouse’s retirement. Many can provide tax benefits to you. We would be pleased to work with you and your advisors to help determine which options may be best for you.



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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[www.webster.aboutgiving.net](http://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.

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.



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STAMP  
HERE

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