



# Forward THINKING

Financial, estate, and gift planning ideas for Webster University alumni and friends | [webster.edu](http://webster.edu)

## Not So Secret Admirer

**G**enevieve O’Hara admired Webster from afar as a child. Her older sister, Jane O’Hara Carter, graduated in 1948. More recently her nephew, David Burkhardt ’96, graduated while working full time.

Through the years O’Hara also befriended numerous alumni and staff through her work as a teacher and social worker—and as a patron of Webster’s fine arts and cultural programs.

O’Hara long possessed the desire to honor family members through a scholarship, while providing for her own needs. The solution for her was a series of charitable gift annuities ensuring lifelong income and current tax benefits.

“I’ve hit a home run,” O’Hara states, “providing for myself, honoring family and providing scholarships for future talented students!” She adds, “The O’Hara, Carter, Burkhardt Endowed Scholarship will perpetually benefit students studying either political science or accounting, both reflecting family passions.”

O’Hara’s gift also reflects her deep admiration for Webster’s founders 100 years ago, The Sisters of Loretto. She notes, “Webster is different today, but has evolved into something the Sisters are very proud of. I want to be part of that!”

See O’Hara sharing her Webster story in her own words at [www.webster.edu/donors](http://www.webster.edu/donors). ■



*Genevieve O’Hara*

## Giving Appreciated Securities

**A**dvances in the stock market in recent years means that many now hold securities that have appreciated in value. This might be a good time to consider making a gift of these assets to Webster. There are a number of benefits:

- You can deduct the current value of the asset, not what you paid for it.
- You bypass any capital gains tax you would owe if you sold the asset.
- You can claim your deduction over the next five years.

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

## Inside:

- Taxing Matters
- IRA Gift Opportunity Returns
- Strengthening Your Financial Future



# Gift Annuity Payment Rates\*

Selected Rates for One Person		Selected Rates for Two Persons of the Same Age	
AGE	RATE	AGES	RATE
90+	9.0%	90/90	8.2%
85	7.8%	85/85	6.7%
80	6.8%	80/80	5.7%
75	5.8%	75/75	5.0%
70	5.1%	70/70	4.6%

For illustrative purposes only.  
Please contact us for current benefits and rates for other ages.

\*Rates current as of December 2013



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. ©MMXIII RFSCO, Inc. All Rights Reserved.

NCXX-13

## Taxing Matters

**T**raditional tax planning calls for maximizing charitable and other deductions to reduce taxes for the current year while delaying income—and additional taxes—to a later year, if possible.

For example, the after-tax cost of a charitable gift depends on its timing, your tax rate, whether you give cash or other property, and other important concerns, including scheduled and proposed changes in tax laws.

Generally speaking, an additional \$1,000 of itemized deductions for the year will reduce your income tax liability by approximately \$250 to \$400. Additionally, if your gift

is funded with appreciated property such as stock, capital gains tax is avoided, which is typically 15 percent to 20 percent of the appreciation.

Many taxpayers will also save an additional 3.8 percent by avoiding the application of the new Medicare contribution tax.

The return of the rule that reduces the benefit of itemized deductions for higher income taxpayers generally has little impact on charitable deductions, and any reduction tends to be absorbed by other deductions such as mortgage interest or property or state taxes. ■

## 2013 Federal Income Tax Brackets

RATES	SINGLE	MARRIED FILING JOINTLY	HEAD OF HOUSEHOLD
10 %	\$0 - \$8,925	\$0 - \$17,850	\$0 - \$12,750
15 %	\$8,926 - \$36,250	\$17,851 - \$72,500	\$12,751 - \$48,600
25 %	\$36,251 - \$87,850	\$72,501 - \$146,400	\$48,601 - \$125,450
28 %	\$87,851 - \$183,250	\$146,401 - \$223,050	\$125,451 - \$203,150
33 %	\$183,251 - \$398,350	\$223,051 - \$398,350	\$203,151 - \$398,350
35 %	\$398,351 - \$400,000	\$398,351 - \$450,000	\$398,351 - \$425,000
39.6 %	over \$400,000	over \$450,000	over \$425,000

## Has Congress Changed Your Will?

**L**egislation enacted by Congress this past January extended estate and gift tax relief for many Americans. In fact, federal gift and estate taxes currently apply only to estates greater than \$5.25 million. However, there are proposals in Washington that would reduce this amount.

You may want to consider how potential estate tax changes could affect your existing plans. If your current plans have not been reviewed in a number of years and were based on laws that may no longer apply, it may be time to reconsider those plans. ■

## IRA Gift Opportunity Returns

If you are 70½ or older and must take unneeded distributions from a traditional or Roth IRA, you may be pleased to learn of a special provision in the new tax law.

Since 2006, individuals over age 70½ have been able to make qualified charitable gifts from a traditional or Roth IRA in amounts totaling \$100,000 per year (\$200,000 in the case of a couple who each has an IRA).

### Tax-wise giving

As a part of the American Taxpayer Relief Act of 2012, Congress acted to restore the ability to make tax-free gifts in 2013 directly from a traditional or Roth IRA.

For gifts completed this year, you are allowed to direct that all or a portion of your mandatory withdrawal amount (or another amount up to \$100,000) be used to make charitable gifts on a totally tax-free basis.

This can be an excellent and tax-wise way to make a gift to Webster University.

### For example

John, age 74, has made a pledge toward the new arts and sciences building. In years past, he has paid off his pledge with cash. Instead, he decides to use a portion of his IRA to make his gift.

### Summary of John's benefits

- He does not report the withdrawal amount on his tax return.
- The amount of his gift is not taxed, thereby reducing his income taxes.
- His tax bracket is not affected.
- Additional tax is not incurred on his Social Security income.
- No estate or gift taxes will be due on the amount donated.
- He makes a generous gift to Webster University.

### More information

Check with your advisors for the possibility of making gifts from an IRA after transferring funds from other types of retirement accounts.

### Planning tip

Taking advantage of the Charitable IRA Rollover opportunity can be especially attractive if:

- withdrawal amounts from your IRA now cause your Social Security income to be taxed at higher rates;
- you have reached the limit for how much you can deduct;
- your state does not allow deductions for charitable gifts;
- in certain other circumstances.

For more information, please visit our website at

[www.webster.edu/retirement](http://www.webster.edu/retirement). ■

## Strengthening Your Financial Future

Are you interested in strengthening your financial future while making a gift to benefit future generations of students at Webster? Consider a gift annuity and enjoy the following benefits:

**Attractive Rates.** Payments are higher at older ages and do not change over time.

**Tax-free Payments.** Part of each payment is free of tax for a period of time.

**Income Tax Deduction.** Those who itemize deductions are entitled to an income tax deduction for the gift portion of their annuity in the year it is established.

**Regular Fixed Payments.** You can count on receiving regular fixed payments, regardless of what occurs in financial markets.

**Take Care of Loved Ones.** It is possible to establish gift annuities for the benefit of a spouse, brother, sister, parent or others for whom

you wish to provide an additional source of income for the remainder of their lives.

**Support Webster.** Make a lasting gift that will impact the University in the future.

If you would like to see an example of what the benefits of a gift annuity with Webster might be for you, simply go to our website at [www.webster.edu/gift-annuities](http://www.webster.edu/gift-annuities). ■



# For More Information...

- I would like to learn about making a gift
  - through my will or living trust
  - of retirement plan remainders
  - of real estate
  - of securities
  - of life insurance
  - 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)

---

Email (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

Ken Nickless  
Director/Gift Planning  
Webster University  
470 E. Lockwood Ave.  
St. Louis, MO 63119-3141





Webster University  
470 E. Lockwood Ave.  
St. Louis, MO 63119-3141



**We're available to respond to your questions and prepare illustrations specific to your needs. Please contact, without obligation:**

**Ken Nickless**

Director/Gift Planning  
phone: 314-968-7146  
toll free: 1-800-305-2586  
fax: 314-968-7108  
nickleke@webster.edu  
[www.webster.givingplan.net](http://www.webster.givingplan.net)

