



Perspectives on Planning

LASELL COLLEGE HERITAGE SOCIETY

FALL 2010

Certain Charitable Year-End Planning in Uncertain Times

The end of the year always challenges taxpayers to strike the right balance in their tax planning—to control the timing of deductions and the recognition of income in order to achieve optimal results. But this year

there is one additional element of uncertainty: No one knows for sure what 2011 will bring in terms of changes to the tax code.

However, creative year-end gift planning will allow you

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The Hartnett Heritage Society Challenge

Our good friend and trustee Helena Bentz Hartnett (shown at left) has pledged to establish a deferred gift annuity by December 31, 2010, if at least five people join Lasell College's Heritage Society (our honorary organization designed to thank individuals who establish life-income gifts or make gifts by will to benefit Lasell) by year-end.

Helena writes: *"I joined the Lasell family in 1989—not as a student but as a member of the staff, working with President Emeritus Tom de Witt in the role of dean of development. The Lasell community is an incredibly special place, and I 'caught the bug.' While I left Lasell as an employee over a decade ago, I couldn't leave the Lasell community. I was honored to be asked to join the Lasell Board of Overseers and later the College's Board of Trustees.*

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The Hartnett Heritage Society Challenge *continued from cover*

“I want to do something to make a difference at Lasell, so I am challenging our alumni and friends to join me in the Heritage Society. If at least five people join the Heritage Society as new members by December 31, 2010, I will fund a deferred gift annuity at Lasell. My gift, when combined with yours, will help increase Lasell’s endowment so future generations of students can receive all the benefits the College has to offer. Will you consider joining me in this effort? I would be delighted to welcome you as a new member of the Heritage Society!”

—Helena Bentz Hartnett, Trustee

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to generate both a charitable deduction and a new source of annual cash flow for yourself or others.

One of the oldest and most popular of these “life-income” gifts is the charitable gift annuity. You can either start your payments now or, if it makes more sense given your circumstances, you can defer the payment start date until a specified future time.

Turn Your Gift Into a Source of Income

Here’s how a gift annuity works: In return for your contribution to Lasell, we commit to pay you—

or the one or two persons you designate—a specified amount of income for as long as you or they live, guaranteed by the total assets of Lasell College.

A Source of New Income

A well-planned and strategically funded gift annuity can offer a tax-advantaged way to transform highly appreciated but low-yielding stock into an important source of current income without the full brunt of capital-gain taxation.

Example: Jane and Tom, both 72, had long been interested in making a significant gift to Lasell College but needed as much

Income from a \$100,000 gift annuity

One Life			Two Lives		
Age	Rate	Income	Ages	Rate	Income
55	5.0%	\$5,000	55-55	4.6%	\$4,600
60	5.2%	\$5,200	60-60	4.9%	\$4,900
65	5.5%	\$5,500	65-65	5.1%	\$5,100
70	5.8%	\$5,800	70-70	5.4%	\$5,400
75	6.4%	\$6,400	75-75	5.7%	\$5,700
80	7.2%	\$7,200	80-80	6.3%	\$6,300
85	8.1%	\$8,100	85-85	7.1%	\$7,100
90	9.5%	\$9,500	90-90	8.3%	\$8,300



Members of the new Lasell College Chorus, led by Chorale Director Allegra Martin, perform at the May 2010 Heritage Society Tea on campus.

Charitable Bequests Help Too!

All planned gifts, including simple gifts by will, have a tremendous impact at Lasell—and count toward the Hartnett Challenge.


IRA Charitable Rollover May Be Extended to December 31, 2010

For several years now many of our generous supporters have taken advantage of the temporary opportunity to make gifts to Lasell College directly from their IRA accounts. Unlike other withdrawals from an IRA, these gifts have not been treated as taxable distributions to the account owners. This opportunity, for individuals age 70½ and older, may be available again this year.

How it works: If pending legislation is passed, up to \$100,000 could be directed to charity, and the amount transferred would count toward the account owner's minimum required distribution for 2010.

Note: If passed, this IRA rollover would be especially beneficial to taxpayers in those states that do not have a separate itemized deduction for charitable contributions. Without the enactment of the rollover provisions, a taxpayer who wants to make a gift from his or her IRA must take a withdrawal and include it in taxable income. While an itemized deduction often offsets the tax implications on a federal return, the lack of a state income-tax itemized deduction would cause the donor to pay state tax on the amount withdrawn and given to charity.

The IRA rollover is also an extremely useful tool if you cannot use all of your charitable deductions in one year. The rollover distribution does not count against your annual contribution limit. Please contact our office to learn the status of this important legislation. If it is passed, you will want to act before December 31 to take advantage of this new opportunity.



income as possible from their assets. After discussing their goals with their advisors and a member of our staff, Jane and Tom decided to contribute stock they bought years ago for \$100,000 that is now worth \$200,000 for a charitable gift annuity that will pay them \$11,000 each year as long as either of them lives. Since the stock paid no dividends, the entire annuity payment is net additional cash flow.

Even though they had \$100,000 of gain in their stock, they avoided tax on \$30,000 and recognized only about \$70,000 of that gain—and they spread that over the balance of their life expectancies at approximately \$3,750 per year. Even better, more than \$3,750 of this annual income will be tax-free over their life expectancies and they can take a deduction this year for \$59,000.

Set Aside More with a Deferred Gift

Many of our friends like Helena, who are in peak earning years but still some time away from retirement, want to save more for retirement even after they have fully utilized all the traditional tax-advantaged methods available to them. For those with special charitable objectives, a deferred gift annuity may be the solution.

For instance, a 50-year-old who wants to set aside an additional \$50,000 this year and begin receiving payments at 65 will get an additional \$5,200 each year for life when the payments start. We would be delighted to discuss how a deferred-payment gift annuity could fit into your plans.



“I included Lasell in my will because even though I went on to complete my education at a larger university, my fondest memories of college are of my two years at Lasell.

Friends I made...crew team...River Day canoe races...Song Fest...Lasell Night at the Pops...swimming in the first heated indoor pool...Torchlight Parade...the Crow’s Nest...life at

Bragdon...the great college town of Boston and all that it had to offer, from concerts to mixers to cultural events...climbing up the hill in winter to Farrington Hall...and, of course, the great education with small classes and teachers who got to know you.

Lasell gave me the education and confidence that helped make me the strong, independent person I am today.”

—Nora Jean Ganslen ’70



Dear Alumni and Friends,

The ghost of Congress past hovers over the upcoming turn of the year in a way that could make December 31 truly momentous. Unless the current Congress acts, tax changes put into place under the 2001 Tax Act will expire, turning back time ten years to the tax code as it existed then.

That would cause the top income-tax rate to increase from 35% to 39.6% and the top rates on most capital-gain income and qualifying dividends to increase to 28% and 39.6%, respectively. Even more dramatic, while the federal estate tax is gone this year, it will be back next year with rates as high as 55% and an exemption of just \$1,000,000.

Few observers believe that Congress will fail to intervene. However, speculating on what changes Congress might eventually make presents its own challenges. Fortunately, there are many charitable strategies that can provide valuable benefits now. In this issue of *Perspectives on Planning*, we take a look at several that may fit into your plans.

As you begin your year-end planning, I invite you to contact me with any questions you may have about your charitable options.



I would love to help you create an effective gift that can fulfill your wishes and provide future generations with an excellent education at Lasell College.

Cordially,

A handwritten signature in black ink that reads "Katharine Urner-Jones". The signature is written in a cursive, flowing style.

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Next Steps:

Are you wondering what your next best step is? Maybe you'd like more information, or maybe you'd like to speak with us directly. Here are a few options:

- 1 Visit us online** at www.lasell.edu to learn more about how you can help us build our endowment.
- 2 Return the reply card** to receive a free copy of our new booklet, *Ways to Give*.
- 3 Contact Katharine Urner-Jones** at (617) 243-2223 or e-mail at kurnerjones@lasell.edu for details (without obligation) and answers to your questions.
- 4 Join the Lasell College Heritage Society** and help meet the Hartnett Challenge. Contact us to learn more about being recognized for your generosity to Lasell.



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