



# Perspectives on Planning

LASELL COLLEGE HERITAGE SOCIETY

FALL 2012



▲ ***In Harmony:** Members of the Lasell College Chorus and Lasell Village's Voices of Experience perform at the Heritage Society Tea during Reunion Weekend 2012.*

The Heritage Society is an honorary organization for alumni and friends who support Lasell's future through gifts by will and other planned gifts. Join us!

*Information on financial and estate planning for alumni and friends of Lasell College—  
Where the Classroom Is the Real World*



# Sometimes It Pays to Be Charitable— Ways to Give

People are often surprised to learn that there are many ways to make a gift to charity and receive a stream of income in the process. The current period of low interest rates, along with the tax benefits that go along with charitable giving, make several of these charitable planning strategies more appealing than ever.

## Receive a Stream of Income for Life With a Gift Annuity

**The oldest and most popular gift arrangement is the charitable gift annuity**

The oldest and most popular gift arrangement is the charitable gift annuity, which returns a stream of income for life to the donor—or one or two beneficiaries—based on a fixed percentage of the amount of the gift. The rate in effect when you acquire a gift annuity never changes. It is guaranteed for life.

In light of current market conditions, gift annuity rates are very appealing, and still other factors enhance them even more. You receive a deduction in the year you fund the annuity, and each year—for the duration of your life expectancy—a portion of each payment you receive is tax-free.

**Example:** Susan, 70, contributes \$10,000 to Lasell in exchange for a gift annuity that will pay her \$510 annually. The gift produces an income-tax deduction of \$3,354 that, in her 28% marginal income-tax bracket, saves her \$939. Thus, her out-of-pocket cost for the annuity is \$9,061, and the \$510 annual payment to her is equivalent to a 5.6% return. Because part of the annual payment that Susan receives from the annuity is tax-free (\$418 of the \$510 is not taxed), her return is the equivalent of \$672 of taxable income. Measured against her out-of-pocket cost (\$9,061), this represents an equivalent, fully taxable yield of 7.4%.

If you are looking for a way to make a significant gift and generate increased cash flow, gift annuities are very appealing—perhaps even more so in current economic conditions.

**The rate in effect when you acquire a gift annuity never changes**



## All in the Family!

*“My wife Danielle and I are happily devoted to giving back to Lasell College as Heritage Society members. We know that Lasell delivers excellence. We are also particularly grateful to Lasell for giving me the opportunity to begin my teaching career in 1996. We have seen the quality of education at Lasell grow since my first days, and simultaneously, I have been*

*able to grow as an educator. We have found a home at Lasell, and giving back is the least we can do. My love for Lasell starts with the students, and being able to contribute to their goal of earning a college education gives me special satisfaction.”*

—Neil Hatem, Ed.D.

Associate Professor of Mathematics  
Chair, Mathematics/Science  
Heritage Society Member

## Make a Gift Now, and Receive Income in the Future

While a gift annuity generates current income, a deferred-payment gift annuity may be an excellent alternative for those who will need additional income sometime in the future.

Payments begin at a designated time in the future, such as at retirement. A deferred gift annuity is particularly attractive if you have a high current income, can benefit from a tax deduction, and are interested in augmenting future retirement income on a tax-favored basis.

**Example:** Nancy, 55, receives a \$100,000 distribution from her mother’s estate and wants to create a memorial fund in her mother’s name. She also is interested in supplementing her retirement income. She decides to give the \$100,000 to Lasell in exchange for a deferred-payment gift annuity that will begin making payments to Nancy when she turns 65.

As a result of her gift, Nancy receives an immediate charitable deduction of \$16,730 that, in her 33% tax bracket, means an actual tax savings of \$5,521. At 65, when payments are scheduled to begin, Nancy will receive \$6,400 each year for the rest of her life.

## Equities Can Yield High Returns for You *and* for Lasell

Charitably minded investors willing to accept a degree of risk might consider a charitable remainder unitrust invested in equities as an alternative to a low-interest certificate of deposit (CD). While a CD offers a secure income each year for its entire term, it will not retain its purchasing power because of inflation.

With a unitrust, on the other hand, you can fix the payout rate and still have the possibility of growth. Suppose, for example, you select a 5% payout. Each year you would receive 5% of the value of the trust assets. If that value increases, so does your payment. Of course, if the value decreases, your payment falls proportionately.

Assuming that you are willing to structure a trust heavily invested in equities, the historical odds are that the value will grow more quickly than a trust invested in fixed-income instruments, given sufficient time. The 5% return should ultimately be 5% of a larger number.

As with any equity investment, there is risk that the value of the trust could decrease during a beneficiary's life. On balance, however, this strategy is likely to achieve more growth, and risk is balanced by the significant tax deduction generated when the trust is created. A gift of appreciated, long-term securities can be a particularly appropriate way to fund a charitable unitrust.

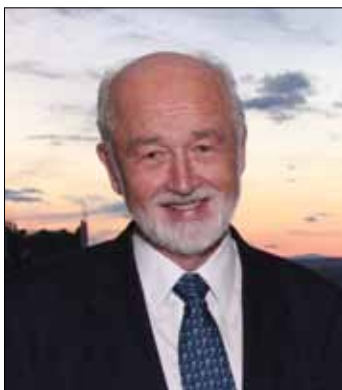
### Meet Margo Hicks Waite '63



*“My husband Rob Menson and I are planned giving participants. We both value education and see it as the pathway to success and fulfillment. We are very impressed with Lasell’s connected learning philosophy and with Lasell*

*Village. We know that our contributions now and after we are gone will make a positive difference in the lives of students, helping them realize their aspirations for a college education and future achievement.*

—Margo Hicks Waite '63  
50th Reunion Class (2013)  
Heritage Society Member



## Dear Alumni and Friends,

I was pleased to be asked to introduce this latest issue of *Perspectives on Planning*, especially because of the affection I have for this remarkable college. Under President Michael Alexander’s fine leadership, Lasell

has enhanced its reputation for innovation, introducing new paradigms of education that respond to a burgeoning student interest in the College.

During these troubling times when planning for our own financial futures seems so daunting, colleges also face the challenges of reducing costs, controlling the price of education, and anticipating changes in teaching modalities. We hope that *Perspectives* helps you to clarify your investment choices, to balance risks and rewards, and thereby also encourages you to think of your college. There are several planned giving options which offer you and your family the security of a steady income stream, charitable deductions and tax relief while helping Lasell.

In my travels, I often reminded you that “you cannot take ‘it’ with you.” Please consider making Lasell College a philanthropic priority as you establish or update your long-term financial plans. In the memorable words of G.K. Chesterton, “Education is simply the soul of society as it passes from one generation to another.”

Sincerely,

Thomas E.J. de Witt, President Emeritus  
Co-Chair, Heritage Society

P.S. For more information about planned giving options, contact Senior Advancement Officer Katharine Urner-Jones ’83 by phone at (617) 243-2223, or by e-mail at [kurnerjones@lasell.edu](mailto:kurnerjones@lasell.edu).

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney for applicability to your own situation.

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## Take Your Next Step

If you would like to take steps toward reaping the benefits of a planned gift to Lasell, or if you would like more information about joining the Heritage Society, here are a few options:

- 1. Visit us online** at [www.lasell.edu/plannedgiving](http://www.lasell.edu/plannedgiving) to learn more about how you can support Lasell now and in the future.
- 2. Return the enclosed reply card** to receive a free copy of our new booklet, **Charitable Solutions to Investment Dilemmas**.
- 3. Contact Katharine Urner-Jones '83**, Senior Advancement Officer at Lasell. Reach her by phone at (617) 243-2223, or send her an e-mail at [kurnerjones@lasell.edu](mailto:kurnerjones@lasell.edu).
- 4. Join the Lasell College Heritage Society** by making a bequest or other planned gift, and help secure the future of Lasell College. Contact us to learn more about being recognized for your generosity.

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