many of our alumni and friends own retirement accounts and have utilized these assets to help Saint Louis University. Typically, the donor removed assets from the account to make these gifts. The resulting charitable tax deduction usually offset the income tax on the distribution. However, thanks to the recent law, there is a new way donors can make significant gifts with distributions from an IRA without any tax consequences.

Of course, there are some important considerations:

- Because none of the IRA distribution is taxed to the donor, the donor cannot take a charitable income tax deduction for the transfer.
- The gift must be an outright transfer to the charity — no money can be directed to a charitable remainder trust or charitable gift annuity.
- The exclusion may not exceed $100,000 per taxpayer per year.
- Not every transfer to a charity will qualify. Sec. 509(a)(3) supporting organizations or donor advised funds are not an option.
- The IRA Charitable Rollover is available only in 2006 and 2007.

Here is an illustration:
James, age 79, owns a traditional IRA with a balance of $100,000 that consists solely of deductible contributions and earnings — savings that have increased in value on a tax-deferred basis. If James removed the entire $100,000 from his IRA, then gives it to charity, he would first realize the entire amount as taxable income, then benefit from a tax deduction.

Instead, James can direct the rollover of IRA assets to Saint Louis University as a qualified charitable distribution. As a result, no amount is included in his income, and James makes a major gift to support his favorite area at SLU.

Students near the clock tower

For general information, please contact the SLU Office of Planned Giving to receive our newest brochure with the basics about this exciting new way to give, The IRA Charitable Rollover — A New Incentive for Charitable Giving. Thank you as always for your interest and support.
Donor Profile: Mary Bruemmer

For generations of students, faculty and staff, Mary Bruemmer is as much of an institution as Saint Louis University itself. As a commuter student from Madison, Ill., Mary enrolled with 40 other women and a few Billiken football players in the School of Education and Social Sciences in 1938. Her academic success and involvement in several student organizations, such as the Women’s Sodality, Student Conclave, University News and Glee Club, forged a strong tie to Saint Louis University that continues to this day.

After graduating from Saint Louis University in 1942, Mary spent the next 13 years in Springfield, Ill., working in youth organizations, fundraising, radio, public relations and adult education. In 1956, she was asked to become director of Marguerite Hall, the first residence hall built for women at Saint Louis University. Before agreeing to do so, she asked for $100 to travel by bus to visit several other universities to observe how their residence halls were managed. "I still have my receipts from those bus trips," she said. Mary accepted the job offer to direct Marguerite Hall, starting a 29-year career in student life at SLU.

Mary later became director of Rogers Hall (now Jesuit Hall), then was dean of women and dean of student affairs. In 1985, she accepted an invitation from Barry McGannon, S.J., who was serving as vice president for University development, to be his special assistant for stewardship. Mary held this position until 1990, when she retired and became a full-time volunteer at the University. As a volunteer, she continues to coordinate the activities of the Women’s Commission of Saint Louis University and the local chapter of Alpha Sigma Nu, the national Jesuit honor society. In addition to these organizations, Mary has cheered on the Billiken basketball team as a season ticket holder since 1958 and plays the organ every weekend at her home parish in Madison, Ill.

Because of her service to Saint Louis University, Mary received the Fleur-de-Lis Award in 1990 and an honorary doctorate in 2000. Two outdoor statues on campus have also been commissioned in her honor: Madonna Della Strada and The Pilgrim, depicting St. Ignatius Loyola.

Since her early days at Marguerite Hall, Mary made the fleur-de-lis her symbol because it was the University’s logo and was found on the St. Louis city flag. Over the years, alumni and friends have sent her numerous gifts where the symbol has been represented in a variety of forms and materials. Her collection of these items is now exhibited in the Mary A. Bruemmer Room, located in the Saint Louis University Museum of Art.

Because of her love for Saint Louis University, Mary provided for the University in her estate plans and became a charter member of the 1818 Society. "SLU is so much a part of my life, it is like my family," she said, "I have seen the reputation of the University and the quality of teaching, research and the faculty continually enhanced. In addition, a real sense of mission filters through SLU’s academics and research. The best part, however, is my work with students. I enjoy it as much today as I did 50 years ago.”
Appreciated Stock Makes a Gift We Can All Appreciate

Like the proverbial joke about where does a 500-pound gorilla sleep (anywhere he wants), a lot of us are not sure what to do with an appreciated asset — especially if it’s big and fat and not paying any dividends.

What happens if you keep it? Nothing. It may provide little or no income, and it ratchets up the dollar value of your estate (which could cost your heirs).

What happens if you donate it to Saint Louis University? You receive a significant tax break and support SLU’s educational mission.

Please take a look at your own portfolio. With the stock market gaining traction, some of the stocks you hold may have recovered nicely from the low points of the first half of this decade.

The following are reasons why stock is often the gift asset of choice for donors who want to make a greater impact with their charitable giving.

- **Simplicity and convenience.** Stocks are easy to give. Unlike some other forms of gifts such as real estate and mutual funds, the amount of paperwork and time is minimal. If you choose, you can complete your gift by the end of 2006, without taking time away from your holiday planning.

- **You have control over the size and amount of your gift.** With a collectible or gift of real estate, usually the donation is all or nothing. The asset cannot be easily divided. With stock, however, you select the number of shares you wish to donate.

- **There are few valuation and basis problems.** With many other gifts, valuation can be subjective, which means also potentially subject to questioning by the IRS. With publicly traded stock, however, the value can easily be determined and documented.

- **The tax benefits can be greater than a gift of cash.** In fact, donating appreciated stock provides a double tax benefit for you that can save you taxes on your 2006 tax filing.

**Examples:** Let’s say you donate to SLU 100 shares of stock with a fair market value of $5,000 and complete the transaction prior to year-end. Assuming you bought the stock more than one year ago for $1,000, you can deduct the full $5,000 on your 2006 income taxes (subject to broad limitations). If you are in a 33 percent tax bracket, that could reduce your 2006 tax liability by $1,650. Plus, the $4,000 in gain is not taxed to you, even though it has “inflated” the charitable deduction.

If you had donated $5,000 in cash, you would receive the $5,000 charitable deduction. But, from a tax-savings point of view, the stock gift is the more tax-efficient option.

**The bottom line:** Donating long-term appreciated stock to Saint Louis University not only benefits you, but provides a gift to SLU that helps to fulfill our mission of teaching, research, health care and community service.

If you have a stock you would like to use as a charitable gift, let us hear from you. The directions for executing such a gift are simple. We would be happy to assist you. Please contact the Office of Planned Giving for more information.
Transform Appreciated Stock into Fixed Annual Income for You

Be aware that you can also donate an appreciated gift and, in return, receive an annual income for life. When you use appreciated stock to fund a charitable gift annuity or charitable remainder trust, you can accomplish both personal and charitable goals.

Perhaps you have stock that has appreciated but provides small dividends or none at all. You may be at the point in your life when you want this asset to generate income.

If you sell it to reinvest the money, you may trigger a 15 percent capital gains tax liability. But there is another option: use it to fund a life income gift plan. By donating the stock directly, you reduce or eliminate capital gains tax and receive a substantial income tax charitable deduction. Plus, you receive an income stream for life and earn the personal satisfaction of knowing your gift ultimately supports the educational mission of Saint Louis University.

Example: Vicky owns stock purchased more than 30 years ago for $5,000. Today it is valued at $40,000. Now age 73, Vicky wants to make sure she has locked-in income for the rest of her life. She also would like to help Saint Louis University. If she sells the stock outright, her capital gains tax would be $5,250.* Then she would still have the problem of where to reinvest the remainder to produce a steady income.

So, instead, she uses the stock to set up a charitable gift annuity with SLU. In return, she receives annual payments of $2,720 for the rest of her life, and part of each payment will be tax-free until she reaches age 86. Additionally, she will receive a charitable deduction of $18,472.*

* Based on a 6.0 percent AFR and quarterly payments. Charitable gift annuities are available to residents of most states.

For a personalized gift annuity illustration, please complete the attached reply card.
Dear SLU Alumni and Friends:

Congress provides tax incentives to encourage and reward those who support important charitable organizations such as Saint Louis University. The Pension Protection Act of 2006 recently became law and now allows the direct transfer of certain retirement assets to SLU and other qualified charitable organizations.

In this issue of the 1818 Society News, we put a spotlight on the exciting new charitable rollover of retirement plan assets, a gift opportunity that will be extremely attractive to some of our alumni and friends. We also highlight gifts of stock and the charitable gift annuity, both of which have considerable appeal to many other donors at year’s end. Please read on for some ways you can achieve genuine tax savings for the 2006 tax year and help Saint Louis University as well. Feel free to contact the Office of Planned Giving with questions. Plus, you are invited to complete and return the attached reply card to receive free copies of our timely booklets, The IRA Charitable Rollover — A New Incentive for Charitable Giving and the Taxpayer’s Home Companion 2006. Both are filled with ideas that may be especially helpful to you as you do your year-end planning.

Sincerely,

Kent G. LeVan
Director of Planned Giving

---

Visit our new Web site at plannedgiving.slu.edu

Our new internet Web site features several enhancements that can assist you with designing a gift to accomplish your philanthropic and financial objectives. One enhancement is a calculator that will provide a summary of the financial benefits of an income-producing gift. Another is the e-brochure option that allows you to request reading materials on a variety of planned giving and estate planning topics. To explore the enhancements to our Web site, log on to plannedgiving.slu.edu.
Two New Brochures to Help with Your Year-End Tax Planning

To find out how you might benefit from the long-awaited charitable rollover legislation, send for a free copy of our brand new brochure, The IRA Charitable Rollover — A New Incentive for Charitable Giving, by completing the attached reply card. We, of course, will be happy to answer your questions.

In addition, you can order a complimentary copy of our Taxpayer’s Home Companion 2006. Whether you do your own planning or use a financial advisor, this handy little reference can make things go a lot easier. You’ll find at your fingertips the 2006 tax rates, the treatment of dividends and capital gains, the most common personal deductions and charitable deduction rules. Also highlighted are timely gift planning options and additional tips for making year-end charitable gifts.

There’s plenty of time before the year ends to coordinate your planning to take advantage of so many exciting gift planning options.