

The FAITHFUL STEWARD

A Planned Giving Newsletter sponsored by St. Frances of Rome Parish



Plan a Road-Trip to Year-End Tax Savings

A little planning before 2009 slips away can bring about important savings when you file your next income tax return (due April 15, 2010). Here are some “travel tips” to smooth your journey to a lower 2009 tax bill.

Speed up your deductions.

Unless you expect to pay alternative minimum tax (AMT) for 2009, try to maximize itemized deductions. You might want to make both your 2009 and 2010 charitable contributions before the end of the year. Ask your advisers if local laws permit prepaying – and deducting – 2010 real estate taxes in 2009. Maximize your miscellaneous and medical expenses if you can meet the deduction thresholds.

Slow down taxable income.

Try postponing some taxable income into next year, unless you’ll owe AMT for 2009. If you plan to sell property before year’s end, ask your advisers about using an installment sale that

defers some taxable income into the future. Professionals and business owners might send out December billings in early January. Long-term, consider investments that can grow tax-deferred, such as U.S. Savings Bonds.

Detour capital gains taxes.

If you give highly appreciated stock to children or grandchildren, they can sell the stock before the end of 2009 and owe no capital gains tax on the first \$1,900 of long-term capital gain (vs. 15% tax for a parent). However, the “kiddie” tax generally will cause investment income over \$1,900 to be taxed at the parents’ tax rates for children under 19, and college students under 24 who pay less than half their support.

Send losing stocks to the off-ramp.

Consider selling securities that have gone down in value and use your capital losses to offset any capital gains from

the sale of profitable investments. Excess losses can be deducted against ordinary income up to \$3,000, and excess losses can be deducted in future years. Wait at least 30 days before buying back loss stock or your deduction will be postponed.

Fill up your retirement account.

Contribute the maximum that’s deductible – certainly any amount that is matched by your employer. The 2009 limit on 401(k) plans is \$16,500 plus another \$5,500 for employees over 50. The IRA maximum is \$5,000 and workers age 50 and above may make additional “catch-up” contributions of \$1,000.

Steer clear of Alternative Minimum Tax (AMT).

Selling stocks or real estate at a profit generates capital gains that may propel investors into AMT. But transferring investment assets into charitable remainder trusts or charitable gift

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Life is Stewardship

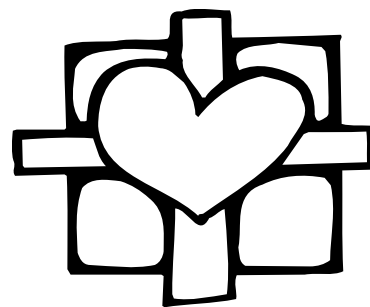
Human life is the first and greatest gift of all. It carries with it great responsibilities. As Catholics, we know that our lives are sacred trusts. We are the stewards of our lives. God depends on us to use them to accomplish His purposes.

Road-Trip to Year-End Tax Savings *(continued)*

annuities delays and avoids recognizing long-term capital gain, while also providing donors with lifetime income and substantial deductions, as well.

Get extra mileage from charitable gifts. The stock market has rallied considerably since the start of the year, and gifts of appreciated stocks let you “double up” on your tax savings (if you have owned them more than one year). Gifts can also be planned that provide lifetime income, to you or others, plus great benefit to St. Frances of Rome Parish. You’ll be entitled to a large deduction, as well. Just transfer stocks, real estate or cash to a charitable trust that will pay you a specified income for

life, with the trust assets later benefiting St. Frances of Rome when the trust ends. Or you can easily set up a charitable gift annuity through the Archdiocese of Chicago for St. Frances of Rome Parish that accomplishes the same result: an income for life and a tax deduction you can use now. Your taxes will go down and your income may go up. For more details, call Rich Goode, Director of Planned Giving for the Archdiocese of Chicago at 312/534-7848.



Top Six Assets for Year-End Giving

People are sometimes surprised to learn that there may be different tax results from their charitable contributions, depending on whether they give cash, stocks, life insurance or other property. Here are some of the very best assets for giving to St. Frances of Rome Parish:

1. Stocks, bonds or mutual funds that have increased in value significantly – and that you have owned more than one year. You can deduct the present market value of these items, not just your original cost, and avoid capital gains taxes 100%.

2. Surplus life insurance. Many people own policies purchased at a time when they had young families or other financial responsibilities. Gifts of policies that are no longer needed for their original purpose will generate charitable deductions and any future premiums you pay will also be tax deductible.

3. Stock in your business. Closely-held stock often can be transferred with excellent tax results. These gifts require careful planning, however, and coordination with St. Frances of Rome Parish.

4. Other investment assets that have grown in value. Real estate, artwork, collectibles and other investment assets that

you have owned more than one year can be attractive for charitable giving but also require special planning. Please contact our the Archdiocese’s planned giving office for details. You can reach Rich Goode at 312/534-7848.

5. Cash. Most people simply write checks to support St. Frances of Rome Parish. Cash gifts are both highly deductible (up to 50% of the donor’s adjusted gross income) and easy to transact. Checks to St. Frances of Rome that are mailed and postmarked before January 1, 2010, will be deductible on your 2009 tax return.

6. IRA distributions. For contributors who have IRAs and are past the age of 70½, an opportunity remains to make a 2009 qualified gift to St. Frances of Rome Parish. IRAs may be the best source for contributions for many parishioners, and it’s uncertain whether Congress will renew this opportunity beyond 2009. It should be noted that minimum distributions are not required from IRAs in 2009, but some donors are giving the amounts they ordinarily would have been obligated to take out for 2009. Charitable distributions are tax free, up to \$100,000, in 2009, if the gift is made through your IRA trustee or custodian.

Please contact our office at 312/534-7848 if you are interested in making an IRA gift in 2009, or any other type of contribution, including charitable gift annuities and gifts of securities.

STEWARDSHIP

The life of a Christian steward, lived in imitation of the life of Christ, is challenging, even difficult in many ways; but both here and hereafter it is charged with intense joy.



*Just to be is a blessing,
just to live is holy.*
Abraham Heschel

Our Parish is Rich (In Social Capital)

by Rich Goode

Remember the song for the television show "Cheers"? It spoke of a place "where everybody knows your name." Statistics tell us there are fewer and fewer such places in America. A neighborhood parish is one of those increasingly rare places where informal relationships take root and prosper. I strongly believe that this is no small deal.

In his book "Bowling Alone," Robert Putnam chronicles America's loss of "social capital" in the last two or three decades. He observes that, while a record number of Americans bowl today, bowling in organized leagues is down 40% in the last 20 years or so. In 1998, 25% more Americans bowled alone than voted in the congressional elections. Participation has plummeted in PTAs and other small community organizations that once brought people together. Social capital is the idea that these informal social connections have tremendous value to society. My observation is that, in terms of social capital, our parishes are quite wealthy.

Let's take the example of my home parish. My parish in the city exemplifies James Joyce's reflection that "Catholicism means here comes everybody." People from many countries and cultures, of different colors and different means pray together there. I see homeless and mentally ill people praying next to college professors. Anyone can walk through those doors and pray with us. Mass is probably the only time during

the week that I am among such a diverse group. Through prayer, we connect.

At every parish, people are serving each other, visiting the sick and helping neighbors in need. For example, when we've had a birth or death in my immediate family, we've always experienced the kindness of a parish community (usually by way of a warm meal). Large bureaucratic institutions have their place. Some things (like bringing a warm meal to a grieving family) are best done informally, however. Instead of always referring those in need to an agency of some kind, parish communities informally do what needs to be done as friends and neighbors. Through service to one another, we connect.

Parishes humbly offer Eucharist, sacraments and community. Parishes quietly help us become a little more holy and a little more linked to those around us. Let's not fall into the trap of undervaluing this precious asset.

Parishes offer an antidote to the unhealthy individualism that characterizes our society. Our parishes, in an imperfect but real way, embody what our faith teaches us - that we are one body, that we are all connected. Traditionally, we call it the Mystical Body of Christ. I expect to learn more of that mystery when I meet our Lord. I expect to learn that individualism is a lie, that we are all one. I expect, when I go home to the Lord, that everyone will know my name.

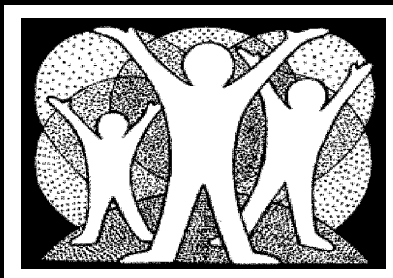


"I call upon you, for you will answer me, O God; incline your ear to me; hear my word." (Psalm 17: 6)

INTERESTED?

Learn more about exciting, creative ways to give to the Church, maximizing the tax benefits of giving, and receiving an income for life and more.

Please call Rich Goode, Director of Planned Giving for the Archdiocese of Chicago at 312/534-7848. Check out our web page at www.parishgift.org



A Great Asset to Leave to St. Frances of Rome Parish:

IRAs, 401(k)s and other qualified retirement plans

Many people don't realize that their qualified retirement plan (traditional IRAs, 401(k)s, etc.) will be taxed when they leave them to individuals at the end of their lives. For most of us, that makes our retirement plan a preferred asset, from a tax standpoint, to leave to St. Frances of Rome Parish. When I leave my retirement plan to my parish, my parish keeps 100 cents on the dollar. When I leave it to an individual, depending on their tax bracket, they might only keep 75 cents on the dollar. For those of us with taxable estates (\$3.5 million or more in 2009) our loved ones could easily

see less than 50 cents of every dollar in our retirement plan with the rest going to pay taxes. Making St. Frances of Rome Parish the payable-on-death beneficiary of our retirement plans is like having federal, state and local government chip in 25%, 30% and in some cases more than 50% of our charitable planned gift to St. Frances of Rome!

If you'd like information on leaving some or all of your retirement plan to St. Frances of Rome Parish, call Rich Goode at 312/534-7848.

*"Take care to guard against all greed, for though one may be rich, one's life does not consist of possessions."
(Luke 12: 15)*

St. Frances of Rome Parish - The Faithful Steward

YES! Please send me your booklet "IRA Gift Opportunities"

I am considering a provision in my will for St. Frances of Rome Parish

I have already provided for St. Frances of Rome Parish in my will/trust

NAME

ADDRESS

CITY

STATE

ZIP CODE

HOME PHONE

E-MAIL

Please cut this slip out and mail it to:

Richard S. Goode, Director of Planned Giving • Archdiocese of Chicago • 835 N Rush St. • Chicago, IL 60611