

# THE GENEVA FOUNDATION OF PRESBYTERIAN HOMES

## NEWS UPDATE

I S S U E 1 7

S U M M E R 2 0 1 1

### LOOKING TO THE FUTURE

#### OUR VISION FOR THE NEXT 100 YEARS



ONE HUNDRED AND SEVEN YEARS AGO DOESN'T SOUND LIKE A LONG TIME—IF YOU ARE AN ARCHEOLOGIST, A GEOLOGIST OR A THEOLOGIAN. However, in

1904—107 years ago—Rev. Norman Barr stood before his Presbyterian Elders in the church and with

an impassioned plea for support, asked for help to establish a home to provide for Chicago's less fortunate older adults.

That was the spark that set Presbyterian Homes in motion. Throughout the years, Presbyterian Homes never lost sight of its mission. I am most proud to be the next in a long, proud lineage, helping guide this organization through what is now its second century of service.

My journey of helping older adults actually started many years ago in Virginia. And, like Rev. Barr, my journey actually didn't begin on the pathway of helping older adults with residential living; my journey started in plumbing and heating. Funny how life hands you new twists and turns. My

vision for Presbyterian Homes and the Geneva Foundation goes beyond just a written vision statement that can hang on a wall. Anyone can do that. The vision I wish to project will permeate our communities and will be manifested in our collective actions, beliefs, values and goals.

We will focus on characteristics, traits and actions that have made Presbyterian Homes successful. The core of what makes us different is our approach to service and how it is provided from a qualified, top-notch staff that has compassion and determination. Whether you are a resident, donor, staff or volunteer, you play a crucial role in the composition of Presbyterian Homes.

In the future, the population of older adults in America will continue to grow, as will the amount of people needing a helping hand. Given the remarkable accomplishments of our first century, what might we hope to achieve during the second? It is exciting to consider how we will continue to endeavor a greater expression of our mission.

— TODD F. SWORTZEL, PRESIDENT & CHIEF EXECUTIVE OFFICER  
THE GENEVA FOUNDATION OF PRESBYTERIAN HOMES

P.S. I would like to hear from you. Feel free to contact me.

# IS YOUR ESTATE PLAN OVERDUE FOR AN UPDATE?

## QUICK REFERENCE GUIDE MAJOR FEDERAL TAX LAW CHANGES FOR 2011

In addition to the change in the estate tax law (see article at right), review these changes with your estate planning attorney to see if your estate is affected.

- **The carryover cost basis tax structure** for inheritors was originally applicable for all 2010 estates. But under the new law, 2010 executors must elect for carryover basis to occur. Carryover cost basis means those inheriting assets receive them at the same cost basis that the deceased had originally paid for the assets. In 2011 and 2012, beneficiaries inherit assets at a cost basis equal to the fair market value as of the date of the deceased's death, or, in some cases, six months later.
- **Like the basic estate tax exemption**, the exemption level for generation-skipping transfer taxes is also \$5 million with a federal tax rate of 35 percent. This means that if you leave more than \$5 million in property to a grandchild or anyone two or more generations younger than you, your gift will incur an additional tax. This \$5 million exemption is only applicable in 2011 and 2012, as well.
- **The top gift tax rate is 35 percent** with a \$5 million exclusion amount unified with the estate tax exemption. The annual gift tax exclusion—the amount you can give to anyone gift tax-free each year—will remain at \$13,000 in 2011 (\$26,000 for married couples).
- **Income and capital gains tax rates** will remain the same for individual taxpayers in 2011 and 2012.

### Keep it current!

A well-planned, up-to-date estate plan can ensure that your assets will be divided among family and other beneficiaries fairly, economically and as you intended.

You may have created your first will early in life when you started a family or after losing someone close to you. Though you may have had good intentions of keeping your plans up to date, your busy lifestyle may have overshadowed the urgency. Today, with important decisions to make about where to distribute your hard-earned assets, it is especially important to make sure your plans reflect your current wishes. The following list of common mistakes is a gentle reminder of how truly important it is to keep your plan in shape.

### Don't Make These Mistakes

**Overlooking changes in your family situation.** Your marriage, divorce or remarriage, the birth of a child, or the death of your spouse are obvious reasons to revise your will. Failure to make changes or updates to your will may result in disinheritance or financial hardship for loved ones who depend on you.

**Not keeping your estate plan current with changing tax laws.** Last year in 2010, estate taxes were originally repealed. Then Congress made changes allowing the estates of those who died in 2010 to use the tax structure under the repeal or under the \$5 million basic exclusion that applies for 2011 and 2012. In 2013, the exclusion amount will drop to \$1 million, unless further tax law changes are made.

**Overvaluing or undervaluing your estate.** If the value of your assets has changed substantially, you may want to change the size of your bequests to your family and favorite causes. Otherwise, some beneficiaries may receive amounts that are either too small or too large in comparison to the current size of your estate. The preferred strategy is to use percentages, not dollar amounts.

### Your Next Steps

To the left you find several other tax law changes for 2011 that may affect your estate plans. Review these additional changes, then meet with your estate planning attorney to find out if any revisions to your plans are necessary and to learn about smart tax planning options that can help you leave more for your loved ones. If an estate plan update is in store, consider using that time to include a gift to the Geneva Foundation of Presbyterian Homes. Contact us at 877-440-4001 or [genevafoundation@presbyterianhomes.org](mailto:genevafoundation@presbyterianhomes.org) to learn about your options.

# THIS YEAR ONLY!

## HELP OTHERS WITH TAX-FREE GIFTS FROM YOUR IRA

If you're looking for the most tax-effective gift to make to the Geneva Foundation, Congress extended a law for 2011 that allows individuals 70½ or older to make tax-free gifts now using funds transferred directly from their IRAs to qualified charitable organizations like ours. You can transfer any amount up to \$100,000 through the end of 2011.

### How This Benefits You

- The transfer generates neither taxable income nor a tax deduction, so you don't have to itemize to take advantage of this opportunity.
- The transfer may count against your unsatisfied required minimum distribution from your IRA.
- You can see firsthand the difference your philanthropic dollars make to those we serve.

*Note:* The legislation does not permit direct transfers to charitable trusts, donor advised funds or charitable gift annuities. In addition, this opportunity applies only to IRAs and not other types of retirement plans.

### Q&A: Making a Gift Under the Legislation

**Q:** *What if there are two organizations I want to support?*

**A:** You can give each charitable organization \$50,000 in 2011, or any other combination that totals \$100,000 or less. If your spouse is 70½ or older and has an IRA, he or she can also give up to \$100,000 from his or her IRA.

**Q:** *I'm turning 70½ in a few months. Can I make a gift now?*

**A:** No. The legislation requires you to reach age 70½ by the date you make the gift.

**Q:** *I've already named the Geneva Foundation as the beneficiary of my IRA. What are the benefits of making a gift now instead of from my estate?*

**A:** Since you have already named the Foundation as a beneficiary of your IRA, you are familiar with the fact that whoever inherits your account must pay income taxes on the proceeds. But, by naming a charitable organization as the beneficiary, this tax is eliminated. Making a gift of up to \$100,000 from your IRA while you are alive, however, allows you to see your philanthropic dollars at work. You are jump-starting the legacy you would like to leave and giving yourself the joy of watching your philanthropy take shape.

### ACTION LIST

What You Can Do Today



#### VISIT

our website at

[www.presbyterianhomes.org/geneva](http://www.presbyterianhomes.org/geneva)

to learn more about our charitable mission and how you can help.



#### RETURN

the enclosed reply card for more information and to receive our free guide that will help you organize your estate plans *Your Personal Estate Planning Record*.



#### CONTACT

us for information regarding estate planning and IRA gifts. Planning a gift to the Geneva Foundation will support Presbyterian Homes and sustain our programming for the growing number of older adults in need.



## 2011 ANNUAL GOLF CLASSIC

### MOVING FROM SUCCESS TO SIGNIFICANCE

On Sept. 26, 2011, the Geneva Foundation will host a golf outing at the exclusive Onwentsia Club in Lake Forest. By granting access to one of the most exclusive clubs on the North Shore—we are offering not only the opportunity of a lifetime for die-hard golfers but also the chance to support Presbyterian Home's charitable mission.

What makes this golf outing unique is the fellowship found in the last game of the year on a crisp fall day, the relaxed happiness that washes over the entire course and the beauty of the season.

But it also means that we are moving from success to significance. For more than a decade, Presbyterian Homes has hosted a successful annual golf outing. Last year we raised \$135,000 for the charitable mission.

This year, we want your help to turn that success into a significant and consistent part of our efforts

to support the operations of the charitable mission of Presbyterian Homes by increasing our goal to \$150,000.

Reserve your spot to golf or become a sponsor, or both. Individual golf tickets are \$650 and there are a wide range of sponsorships available.

#### LEARN MORE

Please contact Sara McGuire at 847-866-1669 or [smcguire@presbyterianhomes.org](mailto:smcguire@presbyterianhomes.org) for more information on how you can get involved.



#### HOW TO CONTACT US

PHONE: 847-492-2959 or toll-free: 877-440-4001

EMAIL: [genevafoundation@presbyterianhomes.org](mailto:genevafoundation@presbyterianhomes.org)

WEB: [www.presbyterianhomes.org/geneva](http://www.presbyterianhomes.org/geneva)

## PRESBYTERIAN HOMES

---

## GENEVA FOUNDATION

3200 GRANT STREET  
EVANSTON, ILLINOIS 60201