

# St. Mary School of Mount Vernon Education Endowment

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The St. Mary School of Mount Vernon Education Endowment was created in 1990, with an opening balance of \$65,000. Tom Burke left \$45,000 to the school endowment December 17, 1997. On January 24, 2006, Myrtle Heidenreich gave a bequest of \$276,000, which to date is the largest donation ever to the school endowment. Over the past twelve years, the school endowment has grown at an average of 7.63 percent from interest on investments and a couple of funeral memorial donations. Today the St. Mary School Endowment has a balance of **\$1,047,526.**

In 2007, the St. Mary School Endowment donated \$8,800 to add air conditioners to the school. Over the years, the St. Mary School Endowment provided funds to the school when there was a budget shortfall. In 2015, the St. Mary School Endowment donated \$20,000 towards the new school roof project. In 2017 and 2018, the St. Mary School Endowment donated \$35,000 each year specifically for tuition assistance.

St. Mary School is blessed to have a long-term financial nest egg that can also annually provide some financial assistance to the school. Below are several ways that the St. Mary School Mount Vernon Education Endowment can be grown. Please look inside your hearts and consider a gift. To learn more about donating to the St. Mary School Mount Vernon Education Endowment please contact Robert C. Herr III at 618-237-7101 or call St. Mary School at 242-5353 and ask to visit with Principal Brett Heinzman.

## Charitable Bequest

Are you planning a bequest to your parish, parish school, diocesan high school or other diocesan agency through your will or revocable trust? You have a wide choice of alternatives to help the Church in southern Illinois.

- You can bequest a sum of money, specified personal or real property or a share of your estate's residue (the amount remaining after all costs, debts and taxes have been paid and all monetary and specific bequests have been satisfied).
- Your gift can be contingent. That is you can provide money, property or a share to go to some individual if that person survives you: otherwise, it is to be distributed to the Church.
- Here is a sample bequest language for a parish in the Diocese of Belleville (please check with your attorney about the manner in which the bequest should be structured to carry out your intentions): *"I give and bequeath (amount) to (name of parish), (address of parish), an Illinois religious organization, for (list purpose or restrictions, if any)."*
- You can create a trust for a relative's benefit, assuring the availability of income and principal for that person's support and comfort, and name the Church to receive whatever is left when the trust terminates.

## Retirement Plan Assets

Many of our people have participated in qualified retirement plans for many years in preparing to retire. You may be one of them. You have watched your fund grow, tax-free. In fact, many are surprised by the rate of growth in their accounts and the size of the accumulations.

For many people, these retirement accounts are their single largest asset and they plan to leave the remainder of their retirement plan assets to their children or other heirs. The disadvantage of leaving your remaining retirement assets to heirs (other than your spouse) is the tax consequences.

Retirement benefits given to your heirs will be taxed as ordinary income, while they can be passed onto your spouse without immediate tax. In addition, if all your assets are significant enough to warrant the payment of estate taxes, your retirement funds will be liable for both income and estate taxes upon your death. In other words, after taxes, your heirs could receive one-third of the total or less.

One way around this tax problem is to give some/all of the assets to a charity, like the Church, and leave other assets to your heirs. The easiest way to donate retirement plan assets is to designate the Church as a beneficiary. All you need to do is contact the administrator of your plan. The administrator will send you the correct forms to sign. If you are married, your spouse must waive his or her right to survivor benefits from the plan (although this is not the case for IRA's).

When you designate the Church as a beneficiary, as with a charitable bequest, you have considerable flexibility. You can give a specific amount to the Church, or a percentage to the Church and other beneficiaries (children). You can name your spouse as the primary beneficiary and your parish or school as the secondary beneficiary. There are many possibilities.

Another way to give from your retirement account is to have those assets transferred at death to a charitable remainder trust. If the beneficiary is a spouse (by combining this strategy with the unlimited marital deduction), you eliminate all federal estate taxes attributable to the retirement account.

(Tax information provided herein is not intended as tax or legal advice and cannot be relied upon to avoid statutory penalties. Always check with your tax and financial advisers before implementing any gift.)

## Charitable Gift Annuity

A charitable gift annuity is a contractual relationship between you and the Diocese that can benefit a parish, school, high school or other diocesan agency. When you make an irrevocable transfer of cash or property, the Diocese agrees to pay you and/or your designated beneficiary (usually a spouse) a fixed amount quarterly for the lifetime of one or two annuitants.

Through a special agreement in the gift annuity contract with the Diocese, you can designate a parish, elementary school, high school or diocesan agency to receive the remainder of the gift annuity after your lifetime(s).

The amount of the annuity payout is based on the age(s) of the income beneficiary and the amount or value of the gift to the Diocese. For example, if a one-life gift annuity for a person age 75 earns a payment rate of 6.3% for life, a charitable gift annuity for \$10,000 would earn \$630 in annual payments (for life). A portion of this income would be tax-free. In addition, a charitable income tax deduction of approximately \$4,543 would be available. The minimum amount for a gift annuity is \$5,000.00 and there is no maximum.

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