

THE Bishop William White REPORT



The Episcopal Academy

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supportingea](http://www.episcopalacademy.org/supportingea)** or call 484-424-1780.



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THE WISE PHILANTHROPIST

The IRA Charitable Rollover is Back

The option for taxpayers aged 70½ or older to make tax-free transfers of up to \$100,000 from an Independent Retirement Account (IRA) to a charity has been reinstated for 2012 and extended for 2013, thanks to the American Taxpayer Relief Act of 2012. By having the money transferred directly to qualified charitable organizations like Episcopal, taxpayers may satisfy the legal requirement for minimum distributions after age 70½ without increasing adjusted gross income and hence taxes. The incentive expires on December 31, 2013.

Transfers must come from your IRAs directly to The Episcopal Academy. If you have retirement assets in a 401(k), 403(b) etc., you must first roll those funds into an IRA, and then you can direct the IRA provider to transfer the funds from the IRA directly to The Episcopal Academy. Qualified charitable distributions can be used to support Annual Giving, an endowed fund, or a capital pledge. Please let us know how to allocate your gift.

To complete an IRA charitable rollover, contact your IRA provider to learn their procedures. We also offer a sample letter you can send to your IRA provider to initiate the rollover. Make sure that you contact us when you direct the rollover so we can look for the check, as IRA administrators don't always include the donor's name on distribution checks.

For more information, please contact us at 484-424-1780.



Dear Friends,

Planned Giving is alive and well at Episcopal. Bequests, the foundation of our program, have made a tremendous difference at the school for decades. Every year alumni, parents, grandparents, and friends tell us they've included the school in their estate plans. Their goals may vary, but their stories are always inspiring: grandparents of a thriving 8th grader who are grateful for the way she's been challenged and supported by Episcopal faculty; an alumnus who wished to recognize "the type of extra care and support we were all very fortunate to have received from our teachers" on the occasion of his 50th Reunion; a daughter, now 80 herself, who's establishing a scholarship in memory of her father, Class of 1910.



Also popular are Episcopal's **life income gift arrangements**, which include the charitable gift annuity and charitable remainder trust. There are few things I enjoy more than helping a donor design a gift plan that meets his or her needs. Recently I heard from a wonderful gentleman in his eighties who was contemplating a six figure gift that would give him a generous income tax deduction and provide modest annual income. What would be the best way to accomplish this?

Following his specifications, it was easy to generate an illustration comparing a charitable remainder trust and a charitable gift annuity. It turns out he is quite familiar with both options, and in the end he chose the charitable gift annuity.

Donors who have done Episcopal Academy charitable gift annuities love them. Many end up doing more than one—as they grow older, they qualify for a higher rate. To see how you can benefit from this giving option while supporting Episcopal, please call for an illustration. There is never an obligation.

With kind regards,

Carolyn Jaeger, *Director of Planned Giving*

Planned Gifts at The Episcopal Academy 2011-2012

	Number of Gifts	Value
Realized Bequests and Other Planned Gifts *	26	\$ 1,987,269
Deferred Gifts Established and Documented**	6	\$ 620,000

*Includes bequests and other deferred gifts received at the end of the donor's lifetime.

** Includes contracts for charitable gift annuities, charitable remainder trusts, life insurance designations and documented bequest pledges.

Boost Your Retirement Income with a Charitable Gift Annuity

Today's historically low interest rates have donors seeking ways to increase their income. A charitable gift annuity offers these donors an opportunity to increase cash flow, avoid substantial capital gains taxes, and make a generous gift all at the same time.

Creating an Episcopal Academy gift annuity could not be easier. A gift annuity is a simple contract between you and Episcopal. In exchange for your gift of cash or stock, Episcopal makes regular fixed payments for life to you, you and your spouse, or someone you name. Rates are based on life expectancy; the older the income beneficiary, the higher the rate. Annuity payments are partially tax free, and you will receive an immediate income tax deduction for the value of the remainder that comes to Episcopal. Episcopal quantifies all of these benefits in a personalized illustration that you can assess at your leisure.

Sample Rate Chart for a \$25,000 Gift Annuity on a Single Life

Age	65	70	75	80	85
Annuity Rate	4.7%	5.1%	5.8%	6.8%	7.8%
Annual Payment	\$1,175	\$1,275	\$1,450	\$1,700	\$1,950

Rates are lower for two beneficiaries and higher if you defer payments for one or more years. Beneficiary must be 65 years of age or older. EA Gift Annuities can be written for \$10,000 or more.

A Word from a Happy Donor

EA's Planned Giving Office spoke recently with an alumnus who happens to be an astute investor. As he and his wife considered ways to support the new campus a few years ago, they realized they needed to diversify and rebalance their portfolio, in part because one stock had become highly appreciated. Rather than sell those shares and pay tax on the capital gain, they gave the appreciated stock to EA to fund a \$50,000 2-life gift annuity that pays them 6.1%, or \$3,042 each year. They regard their EA gift annuity as a welcome source of additional income and a solid investment that functions to reduce portfolio volatility.



George Lilley '61: Class Leader Extraordinaire



George and Mavis at Machu Picchu, 2012

At his 50th Episcopal Academy reunion, George W. Lilley, Jr. led his classmates with a six figure gift to launch the Class of 1961 Scholarship Fund in Honor of Randy Stone '43. A paid-up whole life insurance policy proved to be the perfect vehicle for his gift. His story follows.

“Making the decision to support the class’s reunion fund involved my desire to help ensure that future students would be able to experience not only the excellence of an Episcopal education, but also the kind, attentive support of her faculty.”

There are times in life when the care, support and interest of one person can have a huge influence on the person we become. For me, that person was Richard Boenkamp, Head of the Science Department at Episcopal. I entered Episcopal in the Second Form (8th grade) and it soon became apparent that academically, I lagged behind my classmates. I recall being called into his office, where he inquired about my school work. In hindsight I recognize that he was a very good listener and as a counselor, he gave me the support I needed to persevere. He was the one person I felt able to confide in. I know it was through his constant attention and support that I made it through EA.

Mr. Boenkamp was the guidance counselor responsible for helping my class apply to college. I matriculated at Ursinus College, my studies improved, and I kept in touch with Mr. Boenkamp. When I decided to pursue a Master’s degree he put me in contact with the Higher Education Department at Ohio State University, where he was enrolled in the Ph.D. geology program. We remained friends throughout his life. I went on to get a Ph.D. in higher education, work in college administration, and hold senior posts in behavioral health care administration.

Two years ago I celebrated my 50th reunion at Episcopal. I looked forward to seeing former classmates, faculty, and the new campus, and I wanted to support our class’s 50th reunion fund. When I learned I could use a life insurance policy to support the fund, I was intrigued. My grandparents had bought an insurance policy for me when I was very young. Over the years its value, both face and cash, had increased. I met with Episcopal staff and shared that I had a paid-up policy with substantial cash value that I no longer needed. With the help of Carolyn Jaeger, EA’s Director of Planned Giving, and my insurance agent, the transfer of ownership of the policy was easily effected and the school was able to surrender the policy for its cash value.

Making the decision to support the class’s reunion fund involved my desire to help ensure that future students would be able to experience not only the excellence of an Episcopal education, but also the kind, attentive support of her faculty. I recognize that our lives are full of serendipitous intersections and coincidences that shape us. The sacrifice of my parents allowing me to go to Episcopal, how it influenced me, and the personal attention I received from Dr. Boenkamp were gifts that continue to enrich my life.

What Planned Gifts Accomplish at EA

Bequests and other planned gifts are having a real impact on the students and faculty at Episcopal. Here are just a few recent examples.

The **George E. '39 and Marjorie Stanley Memorial Scholarship Fund**, established in 2011 through their bequests and charitable gift annuities, will provide assistance to students who demonstrate financial need, academic ability, leadership potential, and a love for competitive athletics.

A generous bequest from Dr. Henry H. Sherk '48 increased the power of the **Class of 1948 James H. McK. Quinn Faculty Fund** to assist and encourage faculty to pursue advanced degrees in graduate education.

Established in 2012 through a bequest from James A Branegan, Jr., father of James A. Branegan III '68, the **Branegan Family Scholarship Fund** will provide financial assistance to students in need with demonstrated aptitude in the sciences or environmental studies.

A recent bequest from Mrs. Thomas Ridgway, widow '33, substantially increased the financial aid available from the **Ridgway Scholarship Fund**, which she and her husband established in 1988. The fund provides ongoing tuition assistance to students who otherwise would be unable to attend the academy.



THE EPISCOPAL ACADEMY GRATEFULLY ACKNOWLEDGES RECENT GIFTS FROM THE ESTATE OF

RUTH B. BERLINGER, TRUSTEE, P '70, '73

JAMES C. CAREY '34

ERWIN A. FIERO, JR. '50

EDWARD B. LEISENRING, JR. '44, P '72, '76

HENRY H. SHERK '48, P '84, '91

GEORGE E. STANLEY '39

SALLY M.W. STONE, WIDOW '46, P '76, '78

ROBERT TOLAND, JR. '40

How to Discuss Charitable Interests with Your Estate Planning Attorney



Stacey W. McConnell, Esq.

Estate gifts are powerful tools that can give you a meaningful role in the future of The Episcopal Academy.

They can be included as part of your original estate planning or added later by virtue of a simple amendment called a “codicil.” While you will have the satisfaction of knowing you have provided for Episcopal, the asset remains under your full control while living and is thus available for future needs.

How should you prepare to discuss charitable interests with your attorney so they are not overlooked as the conversation focuses on providing for your family? For thoughts on this, Carolyn

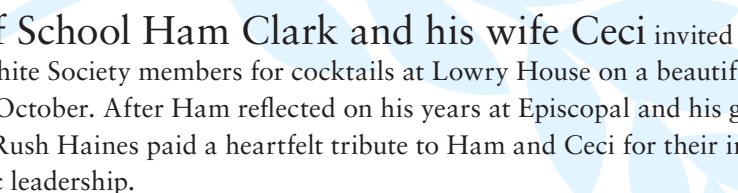
Jaeger sat down with estate planning attorney Stacey McConnell, EA parent and member of Episcopal’s Development Committee. She offers these suggestions.

- **Inventory your assets and estimate your gross estate**, especially if you are just beginning the estate planning process. Your attorney can help determine the most cost-effective way to distribute your property, including to charitable organizations.
- **Reflect on the persons and organizations you wish to benefit.** When you meet with your advisors, tell them that philanthropy is important to you. Many advisors see protecting your wealth as their first responsibility, and it can be counter intuitive for them to help you give it away. So it helps to begin thinking about your charitable interests before the meeting.
- **What would you like to accomplish through your philanthropy?**
 - Offer unrestricted support to one or more organizations?
 - Direct your support to a specific interest within an organization?
 - Continue your annual support in perpetuity?
 - Establish a named endowed fund? If so, what is the organization’s minimum for doing so?
- **Would you like to give a *specific dollar amount* or a *percentage of your estate*?** Naming charitable organizations to receive a percentage of your estate has an advantage. Dollar amount gifts are paid “off the top” of your estate before other bequests are paid to beneficiaries. Unless revised over time, the amount remains static even though the value of your estate will fluctuate. Using a percentage serves as a hedge against changes in economic conditions and in your estate’s value, assuring that all of your beneficiaries receive the proportionate share that you intended.
- **What is the *best asset* for a charitable gift?** For many individuals, qualified retirement plans such as Individual Retirement Accounts (IRAs), 401(k)s, 403(b)s, and Keoghs represent a disproportionate percentage of their net worth. By naming The Episcopal Academy on the beneficiary designation form, you can designate the school to receive a percentage of the funds left in the account at your passing. Not only is this simpler than drafting a codicil to your will, it also has tax advantages. When your

qualified plan assets pass to heirs at your death, they may be subject to both income and estate taxes. For some individuals, this can result in more than 50% of the account's value going to the government in taxes. There is a sensible charitable alternative: name The Episcopal Academy as the beneficiary of your retirement plan and use other, less tax-burdened assets to make gifts to your heirs. A charitable organization like Episcopal can put the full amount of your gift to work.

As you work with your attorney, consider sharing your plans with Episcopal. We would love to partner with you in realizing your goals, and we would be honored to welcome you to membership in the Bishop William White Society.

Stacey Willits McConnell is a partner with Lamb McErlane, PC in West Chester, PA. She chairs the firm's Estate Planning and Trusts Department; her practice focuses on estate planning, administration of trusts and estates, charitable giving, and sophisticated wealth preservation and transfer techniques.



Head of School Ham Clark and his wife Ceci invited Bishop William White Society members for cocktails at Lowry House on a beautiful, warm evening in October. After Ham reflected on his years at Episcopal and his goals for his final year, Rush Haines paid a heartfelt tribute to Ham and Ceci for their inspired, enthusiastic leadership.



Enjoy more photos from the Bishop William White Society cocktail party on page 8.

Upcoming Events

May 3 & 4

Reunion Weekend 2013
Episcopal Academy Campus

May 13

Richard G. Crockett '82 Memorial Golf Outing
White Manor Country Club, Malvern

May 17, 4:00 PM

“Hats Off to Ham!” A Farewell to Ham & Ceci Clark
Class of 1944 Chapel

Bishop William White Society cocktail party photos continued from page 7.

