

legacy

Winter 2008

Touching the Entire Community By Supporting St. Luke's

“From a personal perspective,” Bill Osborne says, “the local hospital touches everyone eventually.”

Bill Osborne and his wife, Charla, understand the importance of St. Luke's Hospital to their hometown of Cedar Rapids. They have both been treated as patients and delivered their three children inside the trusted hospital. They see the dedication of the staff through trying events like the summer floods. And, they know the hospital diligently cares for all individuals—regardless of financial status.

It just seems appropriate to them, therefore, to do what they can to help the hospital grow for the future, and they do so with gifts of time and money. A longtime businessman in the insurance field, Bill took his expertise to the Foundation board in the 1990s and served six years. “I certainly had my eyes opened to the complexity of the hospital,” Bill says. With the high costs of equipment, he



Charla and Bill Osborne

witnessed the Foundation help the hospital remain on the cutting-edge of health care, thanks to readily available funds.

“I realize the needs of the hospital,” Bill says, “and the needs are ongoing. In other words, they don't stop. The needs also become more expensive.” Bill and Char have always been quick to help, and sometimes they discover creative giving options. When the Foundation was seeking donations for the helicopter, the Osbornes helped

fund the expensive project by creating a charitable gift annuity, which will provide lifetime payments for Char.

This year, as it finishes its fundraising efforts for the Child Protection Center, the Foundation faces a special challenge: hard economic times. And while the Osbornes realize they may need to make some alterations to their finances, one thing remains true: “We will be giving again, as we've done in the past.” ■

Put a New Twist on Your Family Tradition This Holiday Season

Every family has its traditions, especially during the holiday season. These traditions, sometimes reinvented with each new generation, strengthen and unify families and help build caring communities.

One tradition, charitable giving, has always been a part of American life. Ninety percent of Americans aged 40 and older report making a contribution to at least one charity in the past year or so. Now, during this holiday season, you can add a new twist to your generosity. Consider making your charitable gift to us in someone else's name.



FINDING THE CONNECTION

The trick is to find the type of gift that holds special meaning for the person. We have many options available for recognizing a friend, family member or an individual you hold in high esteem. For example, if the person loves children, a donation to our Child Protection Center might be appropriate. Others may be interested in a gift to our Heart Care program or to the Lifeguard Air Ambulance.

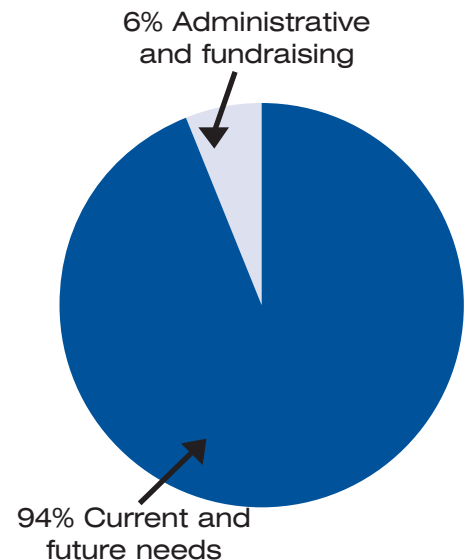
You'll discover plenty of ideas of your own, once you stop to think about the interests of the person you want to honor.

CREATING THE CUSTOM

Once you've chosen the perfect way to honor someone, you can enlarge your gift by involving other relatives.

And who knows? Your example may spur a new tradition in other families. ■

WHERE YOUR DOLLARS GO



Be Generous at Year-End

Charitable actions take on greater importance at the close of another year. Donations can help you avoid unnecessary taxes, while you benefit those charitable organizations in which you believe. Many giving vehicles also offer benefits to your family or other loved ones. Above all, there is a heartfelt satisfaction from giving that goes with the season as another year winds down. To learn more, send for our FREE guide by returning the enclosed reply card.

Is Your Holiday List Growing?

Create a Plan Now to Relieve the Stress of Last-Minute Decisions

There are a lot of reasons to wait until the end of the year to make charitable giving decisions. By then, you most likely have a broad overview of your tax situation. But more than that, this time of the year spurs generosity and goodwill.

If you're not prepared, the numerous opportunities to make a charitable gift can leave you feeling indecisive and stressed. You can alleviate much of the stress, however, by making your own plan that results in sound, comfortable decisions.

Break down your plan into easy-to-do steps. Start by making these three decisions:

1. How will you do the most good?
2. What amount will fulfill your desire to help?
3. Where will your support do the most good?

The decisions are interrelated. Most people let the *where* and *how much* determine the *what*. But deciding first what form your donation will take expands your list of options in ways that can increase your satisfaction.

How Will You Do the Most Good?

The first asset most people think of is cash. But other options can actually increase the value of your gift. Your financial professional can show you how to structure your plans to get the best results. Consider the following options.

- **Securities you've owned for more than one year.** Securities that have increased in value can be transferred directly to us. You receive a tax deduction for the fair market value without paying tax on the capital gain. If an investment has lost value, you can sell it and claim the allowable loss on your taxes. Then, give the cash proceeds to us and claim a deduction.
- **Life insurance.** You can name the Foundation as the owner and beneficiary of an existing or a new life insurance contract. Such gifts can provide you with tax benefits when structured properly.
- **Real estate.** Your personal residence, farm, vacation home, commercial property or parcel of undeveloped land can be a tax-smart donation. In addition to receiving a charitable income tax deduction and possibly avoiding capital gains taxes, you free yourself of the hassle involved in selling the property.

What Amount Will Fulfill Your Desire to Help?

Deciding how much to give is a function of several variables, including your income, net worth and commitment to our organization. A factor to keep in mind is that tax deductibility makes the cost of donating less than the value we receive.

It works like this: Suppose you are in the 25 percent federal income tax bracket and make a gift of \$1,000. The actual cost

to you is only \$750. The \$250 difference is tax that you would have paid if no gift had been made. In this case, we receive one-third more—\$1,000, instead of \$750 that you might have given if there had been no tax deduction.

Where Will Your Support Do the Most Good?

There are many ways to direct your generosity. Consider which of these ways would most suit your intentions:

- **For our general purposes.** These gifts will be used for our everyday requirements or where our board determines it is most needed.
- **For a specific department or program.** Funds directed to a specific department or program will be used exclusively for that purpose. In the event that the original purpose for your gift is restructured, it is wise to allow our board to redirect the funds to a similar project or where they are most needed. Specific programs to which you can direct your gift include:
 - Child Protection Center
 - Lifeguard Air Ambulance
 - Hospice
 - Heart Care
 - Cancer Care
 - Children's Health

Plan Ahead

Carefully consider your options when making these key decisions, but be sure to allow yourself enough time at the end of the year to make thoughtful choices.

CD Rates Got You Down?

Charitable Gift Annuities Offer High Returns Without High Risk

Do you want a dependable return on your savings? Maybe you've been investing in certificates of deposit, hoping for the best interest rates. Rates for CDs, however, have been like a roller coaster. The past two decades have seen the rates skyrocket to all-time highs and plummet to new lows.

Now consider a better option: a charitable gift annuity. We'll pay you an attractive rate of return that *never changes*—an annual fixed amount for life. What's more, you'll receive a tax-saving charitable deduction when you itemize on your tax return, and you'll gain the satisfaction of knowing your generous gift will help us meet our needs.

We can't predict future CD rates. Still, we know that from 1991 to 2001, average one-year CD rates ranged from a high of 6 percent to a low of 3 percent. Sure, rates will continue to fluctuate, and you can usually earn a higher rate by investing in

a longer-term CD. But does the uncertainty of the rates make you uneasy?

Now consider the benefits you'll enjoy with a charitable gift annuity, which is free of investment responsibilities.

Example: Ruth, 70, gives \$10,000 to us in exchange for a charitable gift annuity. She'll receive a fixed rate of 6.1 percent, with annual payments of \$610. She's entitled to an income tax charitable deduction of \$3,615.* In her 25 percent tax bracket, her tax savings will be \$904. And \$401 of each payment will be income tax-free throughout Ruth's life expectancy.

The amount you donate is up to you. The annuity rate you'll receive is determined by your age at the time of your gift. The older you are, the higher the rate you'll secure when the contract is signed.

To discover your benefits without obligation, give us a call. We'll figure your fixed payment and estimated tax savings. ■

*Assuming quarterly payments and a 3.4 percent charitable midterm federal rate, which changes monthly



Do you want to leave a legacy for your family, friends and St. Luke's Health Care Foundation?

Learn how to plan for tomorrow at our Web site. Go to www.stlukescr.org/foundation. You won't find a more complete resource for estate and charitable planning anywhere else on the Web.

- Discover a virtual encyclopedia of information on how and what to give.
- Access hundreds of up-to-date articles on making the most of your charitable giving.
- Calculate your income tax deduction for charitable gifts.

For more information on how to make a planned gift, call Carol Rowland at St. Luke's Health Care Foundation at (319) 369-7717.



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