

LEGACY

Estate Planning News for WRA Alumni & Friends



WRA

2016 | Volume 2



A NOTE FROM THE ADVANCEMENT OFFICE

On Oct. 16, 2015, we launched the public phase of *The Campaign for Excellence & Access*. Today, our campaign total is \$59,500,673 and includes \$17.1 million in planned gifts, most of them bequest intentions. The campaign is making our school stronger, and planned gifts are playing a significant role in that success. Planned gifts directly relate to the campaign goals of ensuring the ongoing excellence of the school and increasing resources to make Western Reserve Academy accessible to students. Is there a more impactful gift than one that provides a talented teenager with a world-class education that they otherwise could not afford? This is the power of the current campaign and of planned gifts.

In this issue of LEGACY, we are honored to welcome new members to the Reserve Heritage Society and share the stories of current members. We also have information on the new IRA Rollover legislation and the benefits of gift annuities in today's mercurial market conditions.

To our 227 Reserve Heritage Society members, we extend a heartfelt thank you. And if you have remembered WRA in your estate plans and are not yet part of the Reserve Heritage Society, or if you have questions about a planned gift that can provide you or a loved one with lifetime income, please let us know. We stand prepared to help in any way and would welcome the opportunity to count you among those who are shaping the future of WRA.

LEGACY

A resource to help you stay connected with WRA and be involved in the school's bright future.

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Warm regards,

A handwritten signature in black ink that reads "Mark LaFontaine".

Mark LaFontaine

Assistant Head of School
for Advancement

THE RESERVE HERITAGE SOCIETY

The Reserve Heritage Society recognizes alumni, parents and friends who shape WRA's future by including the school in their estate plans.



227
TOTAL RHS MEMBERS

CLASSES WITH THE
MOST MEMBERS
1951 & 1965
(10 EACH)

AVERAGE AGE
60.5

102
AGE OF
OLDEST MEMBER

38
AGE OF
YOUNGEST MEMBER

LARGEST RHS GIFT
TO DATE
\$4,000,000
BY JAMES ELLSWORTH
CLASS OF 1868



WRA

[WRA.net/giving](#)

If you are considering a gift to WRA, we would be delighted to work with you and your advisors to explore options. Please contact us to discuss creating your own legacy at WRA by becoming a part of the Reserve Heritage Society.

Mark LaFontaine, Assistant Head of School for Advancement
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RHS Members Share Why They Give

In the entrance of **Phil Berger's '70** home office hangs a painting of Western Reserve Academy — an autumnal scene of trees lush with seasonal foliage and the image of students walking along the path amongst the iconic row of North Hall, the Chapel and Seymour Hall. It was purchased at his 25th Reunion, and it keeps his time at Reserve in his thoughts and in his heart.

"To me, [the painting] serves as a reminder of what I walked by every single day for four years," he explained. "The fact that it's the first picture on the wall as you enter my office speaks volumes. If I hadn't walked by these buildings, I'd probably not be walking into this office."

As a graduate of the Class of 1970, Phil says his time at WRA was an invaluable experience in his life that was made possible by the generous support of his grandmother. Thanks to her, Phil said he was able to receive the guidance, academic rigor and support he needed to be successful in life. With his donation to the school, Phil hopes to pass along this opportunity to students so that they might find similar success.

"So much that I have received in life, I owe to the school," he said. "Personally, I would not have been able to attend Reserve if it hadn't been for the financial assistance provided to my family by my grandmother. I want to do what I can for those prospective students who aren't fortunate to have wealthy family members and who otherwise wouldn't be able to attend Reserve unless there was a scholarship available for them."

When he thinks back to his days at Reserve, Phil can recall how vastly different the environment was from his public schooling and home life. From the difficult curriculum to the introduction to a diverse and varied student body, Phil found himself challenged and pushed to be the best student he could be.

"We were encouraged to be a complete student," he said. "We were pushed in academics, yes, but we were also involved in volunteerism and you were required to be on an athletic team or participate at the club level. I always thought that was good. There were expectations placed upon us on how we were supposed to manage our time, dress, maintain our room, be responsible for our laundry, survive on our meager weekly

allowance — all of which I gave little thought to when I was living at home.

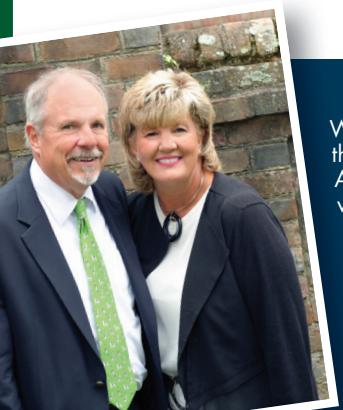
Since leaving Reserve, Phil has received a bachelor's degree in psychology from Bucknell University, a master's degree in social work from the University of Washington in Seattle and an MBA from the University of Pittsburgh. He has maintained his interest in physical fitness and keeps in regular contact with two of his classmates, B. Lee Schumacher '70 and Bill Rodman '70. They often spend time together skiing in Colorado, mountain biking in Utah, and most recently spending a week together in Lee's houseboat on Lake Powell.

He says one of the best lessons he ever learned at Reserve was the importance of self-discipline. "When I say Reserve changed my life, I am not exaggerating," he explained. "I owe more to Reserve than certainly the three universities that I went to. Professionally, I don't think I would have accomplished what I have had if not been for all that I learned at Reserve."

For this reason, he was influenced to make a planned gift. "I believe that for all that we have been given, we have a responsibility to give back. I wanted to give back a significant percentage of what I believe Reserve gave to me."

As a 32-year member of Lion's Club International and serving on the Board of Directors of his local YMCA, Phil is an enthusiastic advocate for philanthropy. He hopes his actions may influence other classmates to lend their support to the school that gave them so much.

"I would hope that graduates of Reserve would look within themselves and ask what WRA contributed to both their lives and to the people around them," he said. "From there, I would hope that they consider what they can give back to honor this gift so that others may have the same experiences and benefits and to similarly impact the people in their lives."



When a forecasted ice storm threatened the 25-minute commute to Western Reserve Academy for **Amy Squire '14**, she knew what she had to do. She packed a bag and made plans to stay at the school overnight to avoid a potentially treacherous drive the following morning, which could have meant staying home and missing classes.

"The doors were always open and that made us, as parents, happy," said Dianne Squire, mother of Amy. "It was nice to know that she had a safe place to go in case she couldn't get home."

"It was a great experience from a couple of standpoints," added Terry Squire, Amy's father. "It was nice to know she had a safe place to stay, and it was also nice to know that she wanted to be at that school and loved it so much that she didn't want to miss a day."

It was a heartening moment for both parents, one that confirmed what they had already suspected — Western Reserve Academy was unequivocally the perfect fit for their daughter. "Amy was able to thrive in the environment of Western Reserve Academy," said Dianne. "She became very close with the faculty members and they actually became like her second family."

"Personally, I think what really stands out is somewhere along the line Amy developed an incredible ability to know how to learn, how to teach herself, how to study and the importance of time management," said Terry.

"And it was okay to be smart at Reserve, and people respected that," explained Dianne. "I think that was important, not only to the faculty but to her peers also."



At WRA, Amy participated in Academic Challenge, was a National Merit Scholarship finalist and received schoolwide recognition for her senior thesis paper, *Fabulae Antiquae: Intertextuality and Its Directionality*, which she presented on March 1, 2014, at the Indiana Classical Conference, and on June 27, 2014, at the American Classical League Conference. It was this last accomplishment that stood out to her parents in particular as the capstone of her experience at Reserve.

"She was the youngest person ever to do that, which was amazing," said Dianne. "And it was thanks, in large part, to her relationship with [Modern & Classical Languages faculty member] Jeff Namiotka, who was really a mentor to her."

Neither Terry nor Dianne attended WRA, nor any independent boarding school. Before Amy's acceptance to WRA, their knowledge of boarding schools was, as Terry says, limited — "The only place I thought schools like Western Reserve Academy existed was in old British movies." They were happily surprised by how much their daughter loved the school and how warmly the community welcomed them. Both Dianne and Terry said they were proud to give to the place that helped their daughter shine.

"Although we can't give millions of dollars, we're respected for what we do," said Dianne. "And to Western Reserve's credit, they have made us feel like significant contributors," said Terry. "I know we're not giving as much as a lot of other folks can, we're giving as much as we can, we've still been made to feel part of the family."

Amy is currently attending William & Mary, double majoring in Latin and English and pursuing a minor in music. Recently, she composed a soundtrack for a software application called Chimera Reader. To see her flourish is a great source of happiness and pride for her parents, and they hope to help other future Reserve graduates follow a similar path of success.

"If just one other student can have the experience that Amy had because of our donation, I would think it was very well spent," said Terry.

Charitable Gift Annuities: A Closer Look at the Gift that Pays You Back

Of all the gifts that pay you back, the charitable gift annuity is the simplest, most affordable and most popular. Once you make a gift to WRA, we agree to make fixed payments to you for life. The gift agreement is a simple contract between you and the school. Your payments become one of our general obligations, fully backed by all our assets, and will not fluctuate. At your death, we apply the balance of the gift annuity to the program you designated when you made your gift.

Gift annuities offer attractive tax benefits:

- You will receive a federal income tax deduction for a portion of your gift, based on the full value of the assets you contribute, minus the present value of the life income interest you retain.
- If you fund your charitable gift annuity with appreciated securities, naming yourself as beneficiary, no capital gains tax is due on the transfer. Only a portion of your capital gains will be reportable, and the tax will be spread over your annuity payments.
- Part of each annuity payment will be treated as tax-free return of your principal. This effectively increases the yield from your annuity over your life expectancy.

Your gift annuity can start payments once you have made your contribution (an immediate payment gift annuity), or payments can begin at a later date selected by you (a deferred payment gift annuity). Deferral entitles you to a higher annuity rate and generates a larger charitable deduction.

Donors can create a series of deferred gift annuities over multiple years, jointly timed to begin making payments to supplement retirement income.

Planning points

- A charitable gift annuity at WRA can be created with a gift of \$10,000 or more.
- Gift annuities bring the benefits of a life income gift into reach for many donors.
 - Your gift annuity can make payments to a maximum of two people.
 - Gift annuity rates are partly determined by the age of the beneficiary.

Current Gift Annuity Rate Table

AGE	64	68	72	76	80	84	88	92
RATE	4.6%	4.9%	5.4%	6%	6.8%	7.6%	8.4%	9%

An Example of How a Charitable Gift Annuity Works

You hold a stock portfolio that has appreciated well but only pays you 2 percent income per year. You are now 75 years old and are concerned that if you sell some of the stock to reinvest in bonds, capital gains taxes will cut heavily into the proceeds. You want to make a gift of \$50,000 to WRA, but you need the income that your portfolio provides you. You are looking for a gift plan that will continue this income and increase it, if possible.

Here's a summary of the income and tax benefits from this gift annuity: Donor (Age 75)

Amount contributed (stock)	\$50,000
Cost basis	\$25,000
Gift annuity rate	6%
Annual payments	\$3,000
Tax-Free portion	\$1,195
Charitable deduction	\$20,351

Please feel free to call or email with questions or if you would like a personal illustration based on the latest rates and your particular circumstances.



NEW MEMBERS OF THE RESERVE HERITAGE SOCIETY

We are delighted to welcome 14 new members to the Reserve Heritage Society since the last issue of LEGACY.

Charles W. Bower '84	Dale S. Janik '78
Suzanne Day '87	Jude D. Kearney '76
Bud Floyd Jr. '66	Nathaniel E. Leonard '82
John M. Fowler '67	Cecily Pryce Maguire '78
Harry W. Gaul '74	Andrew R. Midler '79
Clifton D. Hood '72	Ryan D. Wirtz '99
David M. Hunter '68	Anonymous

THE IRA CHARITABLE ROLLOVER IS HERE TO STAY

Gift Parameters

- If you are 70 and a half or older and own an IRA, you can donate up to \$100,000 per calendar year to a qualified public charity such as WRA.
- Your gift must be complete on or before Dec. 31 of the calendar year in which you choose to utilize the IRA Charitable Rollover for tax purposes. Generally, if sent by U.S. mail, the postmark determines the date of gift; if sent via cash wire, the date of gift is determined by the date the funds reach a WRA account.
- Distributions must be made directly from your IRA to WRA. Do not withdraw the funds yourself and pass them on to the school or your gift will not qualify for the IRA Charitable Rollover and will be included in your taxable income.
- You can only make outright gifts. The IRA Charitable Rollover cannot be used to fund life income gifts, such as charitable gift annuities or charitable remainder trusts.

The Advantages of Making an IRA Charitable Rollover Gift

- You can count your gift toward your annual required minimum distribution.
- Your distribution is not recognized as income on your federal income tax return. Note: You cannot take a federal income tax charitable deduction for your gift.
- Under current federal tax laws, keeping your IRA distribution out of your adjusted gross income may save you taxes.
- The transfer process is quick and requires minimal paperwork.
- Not only are IRA Charitable Rollover gifts wonderful new gifts and pledge payments, they are a great way to accelerate the estate portion of your *Campaign for Excellence & Access* pledge.
- You will receive campaign and Reunion gift credit for the full amount of your gift.

ESTATE PLANNING OPPORTUNITIES AT WRA

Bequests

A bequest is easily accomplished by naming WRA in your will or trust, designating a specific amount, percentage or a share of the residue of your estate. A bequest is exempt from federal estate taxes. We can provide sample language that can be used in your will or trust. We hope alumni will consider “endowing” their annual gift through a bequest. For instance, a bequest to the WRA endowment will yield about 5 percent in usable income each year, so a \$10,000 bequest would provide \$500 toward the school’s operating budget on an increasing basis year after year.

Retirement Plan or IRA

If you have money saved in a retirement plan or IRA, each of these assets contains income that has yet to be taxed. Your beneficiaries will be taxed at your death (up to 35 percent), which may suggest giving loved ones less heavily taxed assets and leaving your retirement plan assets to WRA. Naming WRA as a beneficiary of your employer’s retirement plan or IRA is easy; beneficiary designation forms can frequently be completed online through your plan.

Charitable Gift Annuity

This is a simple arrangement that provides a guaranteed income stream for life in return for your contribution of cash or securities to WRA. Income payments are based on the age or ages of the annuitants, and are partially tax-free. A gift annuity is an excellent way to supplement retirement income and ensure the continued excellence of WRA. We can provide you with a proposal specifically tailored to your circumstances.

Retained Life Estate

A retained life estate allows you to transfer the deed of your residence or vacation home to WRA while keeping the right to use the property for your lifetime and that of your spouse. In the year that you make your gift, you will be entitled to an income tax deduction for a substantial portion of your home’s value. By making the gift, you may reduce future estate taxes and probate costs. You will continue to be responsible for taxes, structural maintenance, insurance and upkeep. Once the property transfers to the school, your home is then sold and the proceeds are used by WRA for agreed upon purposes.

Please feel free to email
Mark at lafontainem@wra.net
or call 330.650.9704 with
questions or if you would like
more information.

THE RESERVE HERITAGE SOCIETY: Preserving the Reserve Experience for the Next Generation





WRA

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