

LEGACY

A gift planning newsletter for alumni, parents and friends of Loyola Academy | Spring 2020

Captain James Baumstark '60 Rambler, Submariner, Inspiration

Plato wrote, “The direction in which education starts a man will determine his future life.” For Jim Baumstark, Class of 1960, his education at Loyola Academy put him on the path to attend the U.S. Naval Academy. He graduated from Annapolis in 1964 and entered the Navy’s Submarine Service, where he served for 28 years on six nuclear submarines during the Cold War, serving as captain of two of them. He retired from the Navy in 1992, having attained the rank of Captain. He then became a successful professional in the power and utility industry.

“I am a firm believer in the lifelong value of a strong education,” Jim said.

Jim arrived at Loyola Academy after attending Sacred Heart Elementary in Winnetka. “Loyola teachers encouraged us to think in a logical manner, using the Jesuit teaching methodology,” Jim recalled. “Couple that with my military indoctrination at the Naval Academy, and I’ve learned to think clearly and quickly in stressful situations, which has been key to whatever success I’ve had over the last 55-plus years.”

Jim also credits Loyola Academy with strengthening his spiritual growth. “Loyola imbued in me a strong set of moral and ethical values, embodied in Catholic principles, which I have to this day,” Jim said. These are the same values Jim and his wife, Pat, have passed on to their six children and 12 grandchildren.

Because Loyola Academy had such a positive impact on his life, Jim decided to make gifts to the school through distributions from his IRA as part of the RMD process. “I contact my plan administrator and initiate a Qualified Charitable Distribution (QCD), which allows me to give from my IRA directly to Loyola Academy,” Jim explained.

“The amount of my QCD doesn’t count towards my taxable income for the year, so it’s a tax-wise way to give.”

“My Loyola Academy education was a great foundation for me,” Jim continued, “and I am proud and blessed to be able support future generations of students.”



Jim Baumstark in uniform, 1960 yearbook photo, with the 1959-60 Loyola Academy swim team and with family.

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Retirement Planning Changes Ahead

At the end of 2019, Congress passed and the president signed the SECURE Act (Setting Every Community Up for Retirement Enhancement). The new law presents opportunities, but also potential pitfalls, for existing estate plans.

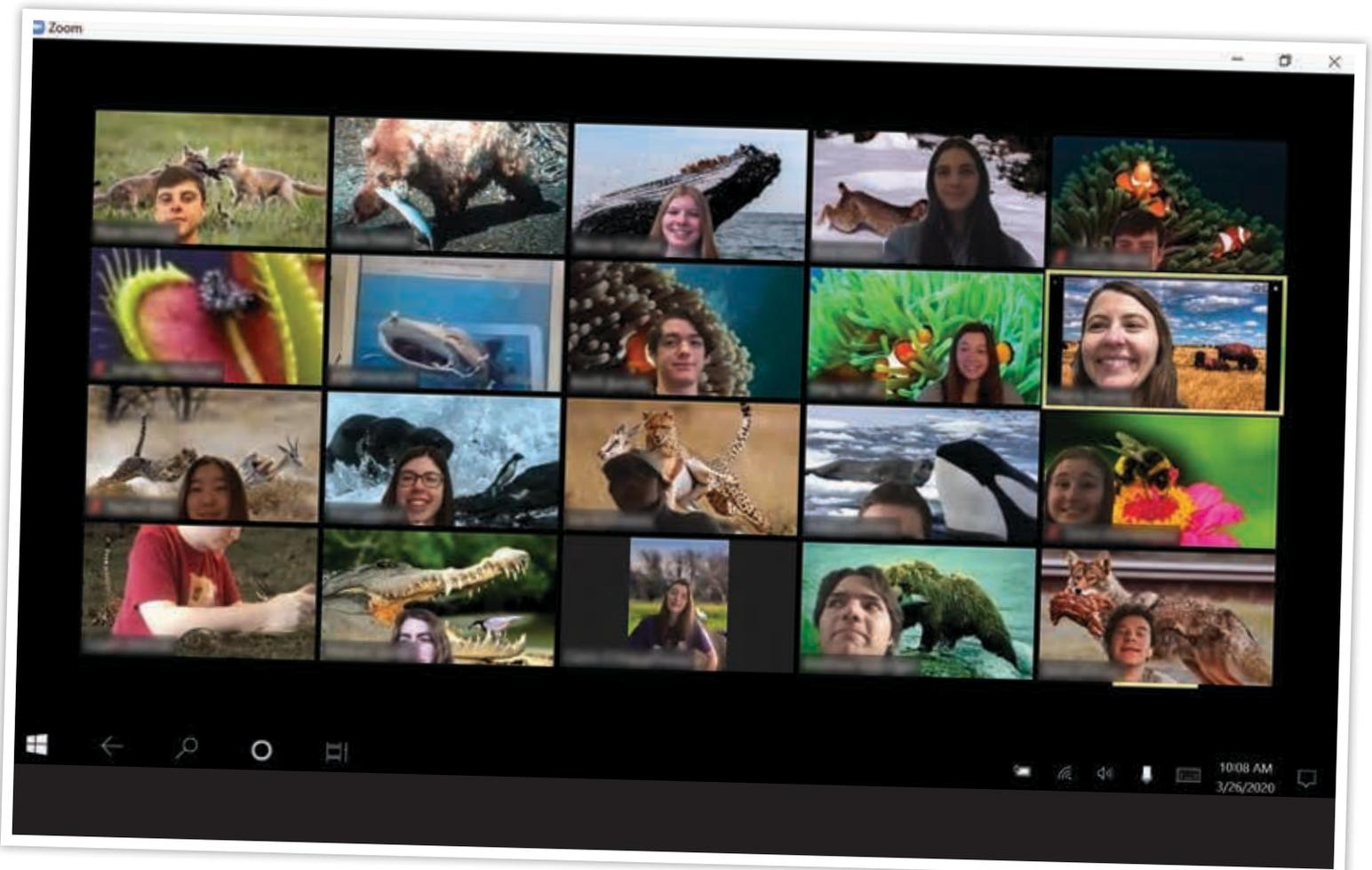
Among the changes:

- For those turning 70½ after 2019, RMDs can be postponed until age 72, allowing continued tax-deferred growth in IRAs and 401(k) plans. There was no change, however, to the age you can begin making a Qualified Charitable Distribution to charity (which is still 70½).
- Those with earned income can continue contributing to deductible IRAs until age 72. (The previous cut-off was age 70.)

- Stretch IRAs will no longer be an option, except for surviving spouses and beneficiaries who are disabled, chronically ill or not more than 10 years younger than the IRA owner. Minor children are also an exception, although once the child reaches the age of majority remaining benefits must be taken within 10 years. (In some cases, a testamentary charitable life income gift can provide loved ones with payments for up to 20 years or life.)

Learn more

Your favorite charity, such as Loyola Academy, can still be named as the final beneficiary of any unused retirement plan funds. For more information, contact Tom Cramer at 847.920.2431 or tcramer@loy.org.



Despite sheltering in place, Loyola's Ramblers continue to gather virtually for online classes.

No Time Like the Present

When it comes to creating or updating your estate plans, the sooner you take action to complete your plans, the sooner you will be able to feel confident that you have secured the future of those you care about.

Estate planning tools, such as a will or living trust, should reflect your ongoing desires about the distribution of your property. Many have found making provisions for charity in their wills or living trusts is a meaningful experience. Careful planning can help you make charitable gifts without impacting the future security of your loved ones.

There are many ways to include favorite charities, such as Loyola Academy, in your plans after taking care

of family and others. A gift through your will or trust can be a flexible way to make future gifts. You may choose to give:

- A specific sum.
- A percentage of your estate.
- What remains after you have provided for family and friends.

These are just a few of the ways to make a “gift of a lifetime” to Loyola Academy. We are happy to discuss other options for giving or provide you and your advisors with more information. Simply contact Tom Cramer at 847.920.2431.



Thanks to your gifts, Loyola Academy students experience a world-class Jesuit secondary education.

New Law Recognizes Charities

The Coronavirus Aid, Relief, and Economic Security (CARES) Act not only includes provisions related to supporting the needs of individuals as well as small and large businesses but also includes important sections that will benefit the charitable sector including:

A limited allowance for an above-the-line charitable deduction of up to \$300—a benefit for non-itemizers who support charitable causes.

An increase in the overall AGI limitation for charitable contributions from 60% to 100%—a benefit for itemizers.

An expanded loan program for nonprofits—increases the SBA loan program for small nonprofits from \$1 to \$10 Million.

While this is just a small part of multiple pieces of this legislation, these provisions recognize the important contributions of the nonprofit sector to society. If we can provide more information to you or your advisors about the charitable aspects of your plans, please contact us.

The CARES Act allows all IRA RMDs to be waived in 2020.

A night to
unite
 Ramble 2020

Please join us for our **reimagined Ramble**—a virtual experience that will safely unite our Rambler community with a common mission: to generate critically needed support for our Tuition Assistance Program.

Monday, May 25, at 8 a.m. through Friday, May 29, at 10 p.m.

Five-Day Silent Auction and Exclusive Offerings

Including concert tickets, fabulous dining experiences, fine wine, golf packages and more

Friday, May 29
 7 p.m.

**Ramble with Friends Watch Parties
 with Live "Ramblethon" Programming**

Watch parties may be held in person or virtually, depending on the measures that must be taken to keep our community safe.

8 p.m.

Virtual Live Auction and Paddle Raise

Featuring items such as a trip to the Holy Land with Fr. McGrath, a weekend experience at the 2021 Murray Bros. Caddyshack® Charity Golf Tournament and a two-year lease on a BMW with a free parking spot in Loyola's lot

Find out more at goramblers.org/ramble or follow us at:



Make this a record-breaking Ramble in a year of unprecedented need.

One thing is certain in these uncertain times: Our Rambler families need you now more than ever. Here's how you can help:

- ★ **Donate** to our Ramble Guardian Angel Fund.
- ★ Become a Ramble **sponsor**.
- ★ Bid on **silent auction** items.
- ★ Join us for our **virtual live auction**.
- ★ **Advertise** with us during our Ramblethon live broadcast.
- ★ Make a **cash donation**.

The purpose of this publication is solely educational, namely to provide general gift, estate, financial planning and related information. It is not intended as legal, accounting or other professional advice, and you should not rely on it as such. For assistance in planning charitable gifts with tax and other implications, the services of appropriate and qualified advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Consult a tax and/or accounting specialist for advice regarding tax and accounting related matters. © Copyright 2020 by Sharpe Group. All Rights Reserved. NNNPDF-20

Sample Bequest Language

If you would like to make a gift to Loyola Academy in your will or living trust, you may want to suggest that your attorney include language such as:

"I give, devise and bequeath to Loyola Academy (Tax I.D. 36-2367981), located at 1100 Laramie Avenue, Wilmette, Illinois, the sum of \$ _____, or _____ percent of the rest, residue and remainder of my estate for the benefit of Loyola's general purposes."



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