

Donor Profile

Leona 'Jakie' Herr



Leona 'Jakie' Herr

Leona became known as "Jakie" to her friends, and that has continued to this day. She and husband Joe – who passed away in 2000, had three children. Two boys – one who lives in Wichita, the other in Saddlebrooke, AZ. They also have a daughter in Las Vegas. Five grandchildren and six great grandchildren (plus two on the way) complete her immediate family. Jakie herself is the ninth of eleven children. What's really fabulous is the crossword quilt that Jakie made – it contains the names of all her relatives and continues to grow!

Just after World War II there was a shortage of teachers in small town Gridley, Kansas. So, at the ripe age of 17, Jakie completed a 15-credit training course from Emporia State Teachers College and took over the local one-room schoolhouse. Besides keeping an eye on 18 children from grades one-to-eight, she swept the floor and had to tend the coal-burning furnace. In the beginning, she couldn't keep the furnace lit. "I didn't know what to do, so I asked Dad." He let her know that burning corn cobs would get the coal going. Sure enough, that did the trick!

Her school kids could be challenging of course, but not as much as the time she had to confront a large snake that was crawling into the classroom. Fortunately, Jakie wielded a mean baseball bat and the snake, was history. I'll bet her students continue to tell of the heroic escapades of Ms. Herr!

Since moving to La Posada in 2009, Jakie has kept busy with her Mah Jongg friends, swimming, volunteering at Posada Java, and going to concerts in Tucson. She has a friendly, embracing outlook on life. "I was raised that you support the place where you live," said Jakie. Living in a small community, Jakie saw firsthand how neighbors pitched in to support the town and each other. "That is why I invested in a charitable gift annuity with our Posada Life Foundation. Not only do I get the tax benefits and income - but now I feel more invested in La Posada."

We're glad to have Jakie here on campus. You never know when you may need help with a snake.

TESTAMENTARY DEFERRED GIFT ANNUITY

Gift annuities may be created for one life or two lives. While most gift annuities are created with the same donor and annuitant, it is entirely permissible to create a charitable gift annuity for another person.

If a parent or other donor desires to create a fixed payment stream for a child or other beneficiary, a testamentary gift annuity may be an excellent option. The testamentary gift annuity may be funded from an estate, a revocable trust, or, for La Posada residents, the refundable entrance fee. The personal representative (executor) transfers a designated sum to a qualified public charity to fund the gift annuity.

The donor may have several reasons for preferring the fixed payment of a gift annuity to the potentially variable payments from a trust. He or she may have a specific economic benefit that is appropriate for a child, a brother, a sister or other relative. The fixed payments of the gift annuity are secured by all of the assets of the charity and the decedent may prefer this high level of security for the payouts. Finally, there will be a charitable estate tax deduction for part of the value allocated to the gift annuity.





Mark Dugan

Foundation UPDATE

As I'm writing this, a lovely monsoon storm is raining down on La Posada. The golf carts scurry for cover while the flowers extend their leaves to grab every drop. I know I will now be welcomed into this late afternoon by cooler temperatures. The summer monsoon has once again lived up to its legacy.

How about your legacy? After you've taken care of family, do you want to rain some support on the organizations that have been important to you? There can be many options that you may not have thought about – retirement assets such as IRAs or testamentary annuities for adult children. I hope you consult with your professional advisors for advice and consider leaving a legacy to continue support of your favorite programs at La Posada and Casa Community Services.

The Los Niños Outdoor Classroom project should break ground in August. This will create a unique, invigorating experience for these precious preschoolers. Look to the Community Corner article for further information.

Of course, the IRA Charitable Rollover has received a lot of attention this year. And now that Congress finally made it permanent, why not? The money was pre-tax when it went into the IRA and now it will escape taxes going to charity – what's not to like? If you have yet to take your Required Minimum Distribution for the year and would like to include us in your charitable giving for 2016, please get in touch and we'll take care of the modest paperwork for you.

Next summer, our Vensel Treasure Shoppe is scheduled for its second expansion. This would not be necessary if it weren't for all of our wonderful customers and consigners who have us bursting at the seams with treasures! Our plan is to add 1,000 square feet to the retail space while also expanding the intake/drop-off area. This is phase 1 of a later expansion of The Shoppes down into the open area beyond the courtyard.

There are several articles to pique your interest in this Legacy. Enjoy the rest of summer!

The Gift of Love

You may consider setting up a gift annuity for a loved one to secure their future. It can be set up during life, or at death. There may be gift/estate tax consequences, but tax savings from the charitable deduction may partially or fully offset these transfer taxes. This is a great way to benefit another person with secure fixed income for life.

Ralph Waldo Emerson once said, "The only gift is a portion of thyself." Who in your life needs a little gift from you? With all the uncertainty, troubles and tribulations in the world one of the best things we can do for a loved one is to give the gift of security. Find this with a charitable gift annuity. You can fund a gift annuity with us that will provide a lifetime of payments to your loved one no matter how long he or she lives. The payments are fixed and will never change no matter how the stock market, real estate or any other aspect of the economy performs. The payments continue for life.



The payment rate is based on your loved one's age. When you fund a gift annuity to benefit someone else, you will have to consider gift tax calculations. However, any gift tax may be offset by the income tax deduction you will receive. When you fund a gift annuity you will have the satisfaction of knowing that you will care for your loved one for as long as he or she lives. You will also know that after a lifetime of payments the gift annuity will be used for our mission as a legacy to you and to your loved one.

While Emerson was right about the importance of giving, he was wrong about one thing. You really don't have to give up something to show love. You can also establish a gift annuity for a loved one in your will. When you die, your will can specify the amount and the person and the payments can begin then. Your legacy can show that your love lasted a lifetime and beyond. Love really does endure all.

Want to surprise your loved one?

Whether you are giving a loved one a gift annuity now or in your will, they do not need to know of your generosity until you want them to know. If you are doing it now, we will only need his or her name and birth date to get started! We can even let you deliver the news of the first payment if you want.



A way and to give receive

When you make a gift to fund a life income arrangement, such as a charitable gift annuity or charitable remainder unitrust, the benefits include lifetime payments and tax savings.

What is a charitable gift annuity?

A charitable gift annuity is a contract between you and us.

- 1 You transfer cash or property to us.
- 2 In exchange, we sign an annuity contract and promise to pay fixed payments to you for life. The payment can be quite high depending on your age, and a portion of each payment may even be tax free.
- 3 You will receive a charitable income tax deduction for the gift portion of the annuity.
- 4 You also receive satisfaction knowing you will be helping further our mission.

What is a charitable remainder unitrust?

- 1 You transfer cash or assets to fund a charitable remainder unitrust.
- 2 In the case of a trust funded with appreciated assets, the trust will then sell the assets tax free.
- 3 The trust is invested to pay income to you or any other trust beneficiaries you select based on a life, lives, a term of up to 20 years or a life plus a term of up to 20 years.
- 4 You receive an income tax deduction in the year you transfer assets to the trust.
- 5 Our organization benefits from what remains in the trust after all the trust payments have been made.

This information is not intended as tax, legal or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

Both options provide payments to you (and a spouse), while a unitrust may make payments to additional beneficiaries including children.

Additional benefits include:

- Lifetime payments to you
- An income tax deduction this year
- Capital gains tax savings when funded with appreciated assets
- A way to create a legacy and help further our mission

You can also designate your gift to our endowment. Contact us to see how you could benefit and create a lasting legacy to sustain our work.

A NEW LOOK

Our entrance is undergoing a facelift this summer for the first time since it was constructed 29 years ago. The road has a section of pavers that signal arrival to the campus while the entry monument has a simple but elegant look that is distinctive both day and night. Landscaping will follow to embellish this fresh look.



Construction as of August 4, 2016.

Case Study...

2016 CHARITABLE GIFT ANNUITY RATE TABLE

Why are charitable gift annuities the most popular way to support La Posada and Casa Community Services? As the chart below illustrates, donors can ...

- Receive income for life
- Gain a current-year charitable tax deduction
- Support La Posada's programs and mission
- Avoid the angst over the stock market or low money market and CD rates.

Call the Foundation office for annuity rates for other ages or to receive a no-obligation sample calculation tailored to your specific needs.

\$10,000 Charitable Gift Annuity at Sample Ages						
Age	Annuity Rate	Total Annual Income	Tax-Free Portion	Allowable Charitable Deduction	Effective Annuity Rate	Tax Savings in 28% Tax Bracket
SINGLE-LIFE						
75	6.2%	\$620	\$474	\$4,124	9.09%	\$1,155
80	7.1	710	559	4,743	10.7	1,328
85	8.2	820	677	5,397	12.8	1,511
90+	9.6	960	812	6,020	15.4	1,686
TWO-LIVES						
75-75	5.4%	\$540	\$409	\$3,297	7.7%	\$923
80-80	6.2	620	485	3,831	9.1	1,073
85-85	7.2	720	583	4,285	10.8	1,200
90-90	8.8	880	734	4,725	13.4	1,323

SCHOLARSHIP FUND DRIVE SUCCESS

Astounding generosity. A belief in humanity. Confidence in the future – just some of the reasons for the amazing support for our Scholarship program. The annual campaign just ended in July with \$57,029.00 donated for the general scholarship fund plus an additional \$108,500.00 for named scholarships inside the scholarship endowment. That means that next year we will have 14 named scholarships to award in the Spring. Our employees thank you!

Scenario:

Bill Smith moved to La Posada twelve years ago from his longtime home in Iowa, where one of his daughters, Ellen, still lives. While Bill's other children have done well, Ellen has had her share of life's challenges but has managed, with Bill's help, to keep her head above water. Bill's health is now declining and he is in the process of reviewing his financial estate and the legacy he wants to leave.

Question:

Bill Smith would like to provide additional retirement security for his daughter Ellen. Ellen is now 60 and will likely need to retire at age 65 due to health considerations. Bill met with the Posada Life Foundation to discuss how he could assist his daughter.

Solution:

To provide the benefit of a testamentary deferred charitable gift annuity for Ellen, Bill directed his attorney to include this language in his will:

"I hereby direct my personal representative to allocate the sum of \$100,000 to the Posada Life Foundation for the purpose of purchasing a one-life deferred payment gift annuity for my daughter Ellen Smith. The deferred annuity shall pay the published Posada Life Foundation annuity rate based upon Ellen's age on the date of my death. Payments shall be quarterly and the first payment shall commence on Ellen's 65th birthday. If Ellen shall be age 65 or older when I pass away, the \$100,000 amount shall fund a one-life immediate gift annuity at the published rate based upon Ellen's age on the date of my demise. If Ellen shall not survive me, then \$100,000 shall be allocated as an unrestricted charitable bequest to the Posada Life Foundation."

Bill was terminally ill with cancer at the time he completed his last will and he passed away a few weeks later. His personal representative transferred \$100,000 to La Posada for a deferred payment gift annuity for Ellen. Because Ellen was age 60 at that time, the deferral period was five years.

Based upon Ellen's age, the period of deferral and the payout rate, there was a substantial estate tax charitable deduction. While the \$100,000 was an estate asset and included in the estate, Bill's estate received a Sec. 2055 (e) charitable estate deduction of \$30,635. When Ellen reaches age 65, she will receive an annuity payout of \$5,500. Since the principal allocated to the annuity is prorated over the life expectancy of Ellen, \$3,487 of this amount will be tax-free and \$2,013 will be taxed as ordinary income.

Every quarter, Ellen is reminded of her father's generosity and love for her.



The Posada Life Foundation is the philanthropic arm of La Posada at Park Centre, Green Valley's not-for-profit continuing care community. La Posada was established to provide resources for programs to enhance the quality of life for seniors.

Posada Life Foundation, Mark N. Dugan, Vice President
 350 E. Morningside Rd., Green Valley, AZ 85614 • Phone: (520) 648-7910
 Email: mark@laposadagv.com