



Giving Back Was An Easy Decision

Mary and Rich Biagiotti '71 love St. John's Prep. They enjoy being part of the alumni community and visiting the Prep campus. Rich is proud to say he is a Prep alumnus and Mary is just as proud to be affiliated with St. John's.

Reaching a point in their lives when they felt that they should draw up their estate plans, the Biagiottis needed to think about where they wanted their assets to go. For them it was a simple a decision – a bequest for St. John's Prep. Mary and Rich have decided to leave their residuary estate to St. John's to establish an endowed fund that will provide tuition assistance. Through their work as financial planners, Mary and Rich understand the challenges that families face in paying for a high quality education at a private school. Rich recalls seeing his

father juggle three jobs and his mother work as a nurse to pay for his education and that of his three younger sisters.

In addition to valuing education, Rich's parents believed in giving back. It's a tradition Rich learned at home and it was reinforced at the Prep. Rich has always worked in service professions, first as a teacher, and now as a financial advisor and a full-time firefighter in the city of Lynn. Mary shares his commitment to service professions. "Everything Rich does is focused on other people and helping them reach their goals. It's been a strong driver for me. It's very much about wanting to give someone else the opportunity to do something they might not otherwise have had the chance to do," Mary says.

Both Mary and Rich feel that the Prep instills the values and formative educational experiences that students need to become well-rounded and successful. "When I see Prep students



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today, I see a continuation of the tradition of good morality, ethics and service learning that I found when I was a student. And it's just as important today as it was then," says Rich.

Mary and Rich Biagiotti believe in the mission of St. John's Prep and the challenging education it provides. They feel fortunate to be able to give back and play a role in securing a strong future for St. John's.

Mary and Rich Biagiotti founded Personal Financial Management Plus, Inc. in 1985, to provide a full range of services, including financial planning, college funding, and retirement planning.

Request a copy of *Planned Giving at St. John's Prep* to learn more about different ways to support St. John's.

Please contact Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or dmarino@stjohnsprep.org.





Message from the Office of Institutional Advancement

We all know that careful planning is important. I am sure that for students at St. John's, good planning has always been crucial to juggling academics, athletics and extracurricular activities. Planning was important then, and planning for the future is important now.

We are pleased to introduce the first issue of *St. John's Prep Tomorrow*, a regular publication that will be focused on planned giving. Although much of the groundwork was already in place, there have been many additions to the planned giving program at St. John's. All of the tools are here to assist with your charitable planning needs. If you want to include St. John's in your will, or name St. John's as a beneficiary of a retirement or life insurance plan, we can assist you. If you would like to receive supplemental income during retirement from a gift annuity or charitable remainder trust, St. John's can provide helpful resources. These are just a few examples of the options that are now available. We are proud to be able to say that the planned giving program at St. John's is comparable to those at the college and university level.

An informative publication called *Planned Giving at St. John's Prep* is available if you are interested in learning more about the variety of planned giving options, most of which will benefit both you and St. John's. Please feel free to contact me any time with questions or for individually tailored information.

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Charitable Gift Annuities

Since the day you got your first job, you have been encouraged to save for retirement, save for the future.

You have likely been diligent, putting money aside in your savings accounts and calculating how much you think you will need based on your life expectancy. Many people believe that all of the saving they have done over the years will provide plenty of money for retirement. With improved medical care, however, it is anticipated that life expectancies will increase. Therefore, now more than ever, greater savings are needed for a fulfilling life during your retirement years.

A charitable gift annuity is one way to ensure that you will have a stream of income to supplement your retirement savings. This type of arrangement between you and St. John's Prep provides for a fixed income for the

remainder of your lifetime. Setting up a gift annuity is simple. In exchange for assets, St. John's agrees to pay a fixed amount to you for the rest of your life. (There is also the option of a two-life gift annuity, in which the Prep would agree to pay you and another person for life.) The payments you receive are fixed and will not decrease with changes in the stock market or the economy. The remaining portion of the annuity will come to the Prep to be used as you choose. Finally, you will receive a charitable deduction for a portion of the gift and some of the payment may be tax-free. While there is always a risk that you will outlive what you have put away in retirement savings, you will never outlive a gift annuity with St. John's.



The Benefits of a Bequest

As Mary and Rich Biagiotti learned, the simplest way to make a planned gift to St. John's is to include the Prep in your will through a bequest.

With a bequest, you can name a specific amount or a set percentage of your estate to go to St. John's. Naming a set percentage is typically the best option because it minimizes the need to revise your plans and incur legal expenses if the size of your estate changes over time. In addition, you may indicate that you would like your gift to be used for a specific purpose, such as tuition assistance, academic program enhancements or professional development for faculty. A bequest can be useful if you would like to make a significant gift, but do not

Sample calculations for a \$10,000 charitable gift annuity at St. John's Prep

Age(s)	Payout Rate	Annual Income	Tax-Free Portion	Charitable Deduction
Single Life Annuity				
65	5.7%	\$570	\$329	\$3,455
70	6.1%	\$610	\$378	\$3,988
75	6.7%	\$670	\$445	\$4,484
80	7.6%	\$760	\$536	\$4,961
85	8.9%	\$890	\$676	\$5,409
Two Life Annuity				
65 and 65	5.4%	\$540	\$306	\$2,390
75 and 75	6.0%	\$600	\$389	\$3,625
85 and 85	7.4%	\$740	\$546	\$4,814

Example: Patrick and Margaret Sullivan, both age 70, are retired and have decided that they would like additional fixed income to supplement their retirement savings. After speaking with their attorney and financial advisor, they chose to donate \$100,000 of stock to create a charitable gift annuity at St. John's. The Sullivans purchased the stock for \$75,000 and it currently pays a minimal dividend. Based on their ages, Margaret and Patrick qualify for a 5.6% payout rate which results in annual payments of \$5,600. These payments will be made to them jointly and then to the surviving spouse for the remainder of his/her lifetime. Calculated on their life expectancies,

the annual payments will be broken down as follows: \$2,033 in ordinary income, \$1,150 in capital gain income, and a tax-free portion of \$2,417. After 15.9 years, the capital gain portion of the annuity payment becomes tax-free; after 20.5 years, the entire payment becomes ordinary income. At the time they made their gift, the Sullivans received a charitable deduction in the amount of \$26,877. In their 28% marginal tax bracket, this resulted in a tax savings of \$7,526. Because they gifted the stock directly to St. John's, they were not taxed on the portion of their gift that represented a capital gain. After the Sullivans' lifetimes, the principal will be released to St. John's.

For additional information about charitable gift annuities, please contact Debra Marino at 978.774.6727 x358 or dmarino@stjohnsprep.org.

have the liquid assets to do so presently. If you would like to consider making a bequest, please contact the Office for Institutional Advancement so that we can assist in the planning process.

Consider this example: When Tom Smith turned 60, he wanted to act on his dream of helping students benefit from the same advantages that St. John's had given him as a young man. He envisioned establishing an endowed fund at St. John's that would provide tuition assistance for students who would not otherwise be able to attend the Prep. Because he would need most of his assets to provide income during retirement, Tom decided to make a bequest naming St. John's as the beneficiary of a set percentage of his estate. In this way, he could ensure his own financial security and create an endowed fund at the Prep. During retirement, Tom's assets provide him with income, and when his estate is distributed, St. John's will establish the Thomas Smith Fund to make his dream of helping students at the Prep become a reality.



New at St. John's

This summer, construction begins on a new five-acre athletic field complex to be known as the Brother Linus, CFX Athletics Commons, named in honor of the legendary teacher, counselor and coach who served at St. John's from 1963 to 1977. Plans call for the project to be completed by November 2008.

Five Acre Complex: The field complex will encompass Gibbons Memorial Field and the adjacent athletic practice fields behind Xavier Hall. The area will be redesigned to include a renovated Gibbons Memorial Field and three multi-purpose fields for intramurals, football, lacrosse, rugby, soccer and other activities. The project also calls for new dugouts, batting cages, scoreboards and bleachers, as well as parking for 150 cars.

Durable Surface: Synthetic turf will allow for more quality playing time throughout the school year.

Hall of Fame Circle: Designed by and for members of the Prep's Athletic Hall of Fame, this space will permanently honor current and future members.

Champions Walk: A paved path to the new complex will be lined with 20 flagpoles representing each of the varsity sports played at the Prep. The Champions Walk will include green space and gardens for spectators.

For more information, please contact Michael Newhall '80, Chief Advancement Officer, at 978.774.6727 x 333 or mnewhall@stjohnsprep.org.



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**St. John's
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a planned gift to St. John's,
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SPRING 2008



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From 1907 to Today

The year 1907 carries special significance at St. John's Prep because it was on September 10, 1907,

that St. John's opened its doors and Brother Benjamin, CFX, welcomed the first class of earnest young students. One hundred years later, 12,000 students have graduated from St. John's, each one influenced by the intellectual and spiritual traditions that are the mark of a Xaverian education. We celebrated this proud history with gala events and programs throughout our Centennial year, and now we begin our second century with a renewed sense of mission and promise for the future.

1907 Society: Named in honor of our founding year, the 1907 Society is made up of members of the Prep community who have included St. John's in their estate plans. In the spirit of the Xaverian Brothers, whose courage and foresight one hundred years ago led St. John's to flourish, members of the 1907 Society play a significant role today by providing resources for a vigorous and secure future.

Members of this very special society – a group of more than 80 alumni, parents and friends – are recognized in our Annual Report of Giving and are invited to the Headmaster's Council Reception every year. If you have made estate plans that include St. John's, we hope you will let us know so that we can add your name to the list of those who belong to the 1907 Society. Please contact Debra Marino at 978.774.6727 x 358 or dmarino@stjohnsprep.org.

Did You Know?

- A charitable gift annuity is a simple way to help secure the future for St. John's while receiving a fixed income for life.
- Charitable gift annuities may be funded with as little as \$10,000.
- You can choose to receive lifetime payments either for yourself or for yourself and another person, such as a spouse. The older the annuitants, the higher the payout rate.
- Income can be deferred for a period of years until it is needed.
- You can obtain a charitable deduction for a portion of the value of your gift.