



ST. JOHN'S PREP

FALL 2010

# Tomorrow

PARTNERS IN OUR FUTURE

## Giving Back for Future Generations



**“St. John’s taught me the importance of being a good and responsible person.”**

It is not often that a Prep graduate celebrates his 50th reunion in the same year that his son graduates from St. John's. But that happy convergence of events is exactly what will happen during Commencement weekend in May, when **John Hart '61** attends his 50th reunion and his son, **Sam '11**, receives his Prep diploma. Sam represents the third generation of his family to attend St. John's, a long line that includes his fraternal grandfather, John Hart, who attended the Prep during the 1920s, and his maternal grandfather, J. Robert Shaughnessy, MD, who graduated in 1922. After finishing his education, Dr. Shaughnessy dedicated himself to providing medical care for the Xaverian Brothers at St. John's for more than 40 years. A number of John's cousins also attended St. John's.

When it came time for high school, there was little question about where he would go, John recalls. He fondly remembers

many of his teachers – Brother Columkille, Brother Eliot and Brother Patrician – and he has tried to live his life remembering what he learned from them. "St. John's taught me the importance of being a good and responsible person," he says.

After graduating from the Prep and going on to Bowdoin College, John became a pilot for TWA, and later, American Airlines. For nearly 40 years, his career took him all over the world and he was fortunate enough to be able to bring his family with him on many adventures. In addition to his role as a pilot for the two airlines, John spent nearly half of his years at

TWA in the training department and management, overseeing flight standards for approximately 1,400 pilots and flight operations for the European and Middle Eastern pilot bases.

When John and his wife, Sara, decided to make a planned gift to support St. John's through their will, their reason was simple. John is grateful for the education he received from the Xaverian Brothers and both are grateful for the opportunities Sam has been given at the Prep. Reflecting on his upcoming Gold Eagle Reunion, John still appreciates all that the Prep taught him and he feels confident that the same will be true for Sam.

"The family tradition of a St. John's education played some part in our decision to support the school, but the deeper reason is a desire to have this great institution available for my grandchildren and their children," he says.

## Did You Know?

### Bequests

- Offer flexibility because a will can be amended during the donor's lifetime.
- May benefit one or more charitable organizations in addition to heirs.
- Are most efficient when a percentage is stated rather than a specific amount.
- Qualify donors for recognition in the 1907 Society.



Planned Giving at  
St. John's Prep

To learn more about different ways to support St. John's Prep, request a copy of *Planned Giving at St. John's Prep* by contacting Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or [dmarino@stjohnsprep.org](mailto:dmarino@stjohnsprep.org).

# Legislative Update

## Estate Tax: What Does the Future Hold?

In 2001, Congress first presented legislation to gradually lower the estate tax to the point where there would be no estate tax in 2010. It was widely expected that Congress would change the legislation before the estate tax disappeared in 2010, but no action was taken. In 2009, federal estate tax revenue approached an estimated \$14 billion, income for the government that is now lost under current law. In 2011, estate tax rates will return to the 2001 top rate of 55% with a \$1 million exemption per person. Although it remains to be seen, many experts believe that legislators will choose, at some point, to adopt the 2009 estate tax

## Federal Estate Tax Rates 2001-2011

Year	Exclusion Amount	Highest Estate Tax Rate
2001	\$675,000	55%
2002	\$1.0 million	50%
2003	\$1.0 million	49%
2004	\$1.5 million	48%
2005	\$1.5 million	47%
2006	\$2.0 million	46%
2007	\$2.0 million	45%
2008	\$2.0 million	45%
2009	\$3.5 million	45%
2010	Tax Repealed	Tax Repealed
2011	\$1.0 million	55%

rates (45% with a \$3.5 million exemption per person). Because of opposition from heirs, it appears unlikely there will be any retroactive changes covering the 2010 year.

## IRA Charitable Rollover: Will It Ever Come Back?

Legislation that was popular with charities and donors alike, the IRA Charitable Rollover, expired at the end of 2009 without renewal. The measure allowed donors to make gifts to non-profit charitable organizations directly from their IRAs without having to account for the distribution in

their taxable income stream. Donors had to be at least 70 1/2 years old and the maximum distribution was \$100,000. Senator Charles Schumer (D-NY), a member of the Senate Finance Committee, has introduced a bill to permanently extend the IRA Charitable Rollover.

## Headmaster's Council Reception



Tupper Manor on Endicott College's campus in Beverly Farms provided the setting for the Headmaster's Council reception in September. The reception is an annual event held to thank those who support St. John's at the Headmaster's Council level or are in the 1907 Society.



L to r: Mary & Rich Biagiotti '71, members of the 1907 Society. ♦ Jeffrey Woolf P'11, member of the Planned Giving Advisory Committee. ♦ Gerry Donovan '86, member of the Planned Giving Advisory Committee, and Trustee Kevin Richardson '86.



L to r: Paul Ziolkowski '58, member of the 1907 Society, Julie Deeley, Mary Ahern, and Paul Ahern '58, a member of the Planned Giving Advisory Committee. ♦ Tom Leonard '54, co-chair of the Planned Giving Advisory Committee, chats with his wife, Marge Leonard (left), and Dorothy Dolan, Director of Advancement Operations at the Prep.

# Extra life insurance policies you no longer need?

## Learn why they are a great gift for St. John's.

Life insurance is a great way to ensure financial stability for your loved ones, but have you made other plans that render prior policies unnecessary now? Do you have old policies you no longer need from past jobs? You can obtain a charitable tax deduction by donating such life insurance policies to St. John's. If you make St. John's both the owner and beneficiary of the policy, you will typically receive an income tax deduction for the lower of either the fair market value or the cost basis of the policy. By naming St. John's a beneficiary of the policy and retaining ownership, you will receive an estate tax deduction in the amount of the proceeds. If you do not have life insurance, or you do not have an extra policy to give away, you can purchase a life insurance policy strictly for the purpose of donating it to St. John's and still take advantage of the tax benefits already mentioned.

Life insurance can also be used as a wealth replacement tool. Should you choose to donate stock or another asset to

## Benefits

### Name St. John's Prep as owner and beneficiary:

- Receive a charitable deduction when you assign ownership to St. John's.
- Reduce your estate taxes because the life insurance proceeds are no longer part of your estate.

### Name St. John's Prep as beneficiary:

- Obtain flexibility by naming St. John's as a beneficiary but retain ownership.
- Name St. John's as a contingent beneficiary and ensure support for your family first.

St. John's now, you can purchase life insurance to benefit your family to replace the amount of the donated assets. This is most effective when donating a long-term capital gain property such as stock or real estate. By giving this type of asset to St. John's you can avoid capital gains tax and receive a charitable deduction. You can use the cash you saved from the deduction to purchase a life insurance policy to benefit your heirs.

## 1907 Society

Named in recognition 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 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.

Dr. & Mrs. Paul B. Alper	Francis J. Dermody, DMD '57	Mr. & Mrs. Thomas A. Leonard '54	Mr. John P. Reid '48
Col Harold H. Audet	Mr. Paul P. DiVincenzo '50	Mr. John J. Leone '83	Mr. Larry E. Richard '73
Mr. Peter A. Beekman '72	Mr. & Mrs. Edward F. Donahue	Mr. William J. Lundregan, III '58	Mr. John A. Roberts, Jr. '56
Mr. & Mrs. Donald Bernstein	Mr. Daniel F. Dunn Jr. '60	Mrs. Eileen M. MacDonald	Mr. Daniel J. Rourke, Jr. '47
Mr. Richard P. Biagiotti '71	Mr. Rene A. Durand '65	Mr. Jeffrey M. H. Maciak '04	Mr. John A. Scanlan '41
Mr. Daniel J. Boyle '43	Mr. & Mrs. John J. Ferry	Mrs. Phyllis McGauley	Estate of Dr. Joseph A. Sciuto '31
Mr. Charles E. Bracker '35	Mr. Edward J. Fleming, III '48	Mr. Thomas H. McNamara '49	Rev. Leo B. Shea '56
Mr. Paul G. Burda '55	Mr. & Mrs. John D. Galaris	Mr. Ronald W. Michaud '61	Mr. Paul V. Short '51
Mr. Christopher J. Burns '64	Mr. John J. Gianino '53	Mr. Walter V. Mitchell	Edward P. Sirois, MD '50
Mr. Paul G. Butler, Jr. '77	Mr. Michael G. Goggin '85	Mr. George H. Moore '42	Mr. James J. Sullivan '56
Mr. Samuel T. Byrne '83	Mr. Robert A. Greenberg '74	Mr. Jeremiah F. Morris '67	Mr. Russell E. Taskey, Jr.
Mr. Edward L. Cahill '71	Mr. Mark R. Gudaitis '84	Mr. Henry A. Mullen '29	Mr. Robert H. Terranova '57
Mr. John F. Callahan '68	Mr. & Mrs. John Hart '61	Mr. Mark A. Occhipinti '71	Mr. John C. Toto '83
Mr. Stephen F. Coady '73	Mr. & Mrs. Thomas H. Hoare, Jr.	Dr. & Mrs. Frank A. Odlum	Richard E. Vincent, D.C. '47
Mr. & Mrs. George Coleman	Mr. Leo Hurley '64	Reverend John F. O'Donnell '55	Richard M. Warren, M.D. '61
Mr. John J. Connolly '39	Mr. David W. Ives '75	Mr. & Mrs. J. Barry O'Hagan	Mr. Joseph E. White '60
Mr. & Mrs. Richard T. Connors	Mr. William A. Killen '59	Mr. & Mrs. Daniel T. O'Sullivan	Mr. Hugh E. Williams '67
Benjamin G. Cox, M.D. '51	Mr. John G. King '60	Dr. Louis A. Pocharski '50	Mr. Alexander P. Ziolkowski '58
Mr. Barry F. Cronin '80	Mr. Paul E. Laski '55	Mr. & Mrs. Lawrence Polimeno	

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 this list. Please contact Debra Marino at 978.774.6727 x 358 or [dmarino@stjohnsprep.org](mailto:dmarino@stjohnsprep.org).



ST. JOHN'S PREP

## Tomorrow

PARTNERS IN OUR FUTURE

**St. John's  
Preparatory School**

72 Spring Street  
Danvers, Massachusetts  
01923

978.774.6727  
[www.stjohnsprep.org](http://www.stjohnsprep.org)

For information on making a planned gift to St. John's, please contact Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or [dmarino@stjohnsprep.org](mailto:dmarino@stjohnsprep.org).

F A L L   2 0 1 0



**1** Giving Back for Future Generations



**2** Headmaster's Council Reception



Non-Profit Organization

U.S. Postage

**PAID**

Permit No. 39  
Danvers, MA

## Gifts All of Us Can Afford

Are you interested in learning more about how you can give to St. John's without affecting your current cash flow? Here are ways anyone can take advantage of to support St. John's.

**Gifts From Your Will:** Only 45 percent of adult Americans have a will, although it is strongly recommended for everyone in order to avoid probate and allow for a smooth transfer of assets to heirs. When you meet with an attorney to set up your will, include St. John's as a beneficiary for a percentage of your estate. By doing

it at the same time, you avoid additional out-of-pocket costs.

**Gifts of Stock:** Unless you own stock that pays a dividend, it does not provide you with any immediate value. You can give such stock to St. John's as an outright gift, or you can fund a gift annuity that will pay a fixed income for the remainder of your lifetime, all while avoiding capital gains tax.

**Retirement Plan Assets:** Many people are not aware that retirement plan assets are subject to both income and estate tax, when applicable. You can leave all

or a percentage of your retirement plan assets to St. John's by simply filling out the beneficiary designation form with the investment company that holds the assets. St. John's will receive the assets rather than the majority of it going to cover the taxes. This does not impact the income you receive from the money you have saved, but rather it comes out of what is left at the end of your lifetime.

**Life Insurance:** Do you have an insurance policy you no longer need? You can transfer ownership to St. John's and receive a charitable income tax deduction. Or, you could name St. John's as a beneficiary for a percentage of the overall value. This is a great way to leave a gift to St. John's without impacting your checkbook.

These examples are just a few of the options available. If you have questions or would like to learn more about how to give to St. John's without impacting your current income stream or putting a dent in your savings account, please contact Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or [dmarino@stjohnsprep.org](mailto:dmarino@stjohnsprep.org).

