

Bookmarks

SUMMER 2023

THE GIFT PLANNING NEWSLETTER OF BOSTON COLLEGE

A Legacy of Generosity

Few alumni have remained as involved and engaged with Boston College as Esther Chang '02, JD'07. With a recent, generous bequest intention, the partner at Mayer Brown in Chicago has only deepened her commitment to her alma mater. We sat down with Esther to talk about her passion for Boston College, her experience as an Eagle, and the importance of planned giving.



Esther Chang '02, JD'07

Having spent the better part of a decade at the Heights pursuing your bachelor's degree, an unfinished master's in political science, and your law degree, what role did the University play in your formation as a person and professional?

My education has been one of the most impactful things in my life. It's opened up so many opportunities for me, and BC was instrumental in absolutely all of that. My Jesuit education was key to figuring out who I wanted to be and what I wanted to pursue in a career and in life.

What do you find special about the University that you want to support?

The culture of helping one another. Every time I see my classmates, I'm reminded of what a great group of people I had the privilege of studying alongside. Having practiced law for sixteen years, I've learned there are many things I can go without in a work environment. The quality of people isn't one of them. My BC experience showed me that. It's the reason I stayed at BC from undergrad through law school: the people are great.

It's quite unique to make a bequest at such a young age. Why did you go that route?

It's important to plan ahead for these things. From a risk allocation and management perspective, you just don't know what's going to happen. Of course, I wanted to make sure my mom and my sister would be taken care of, should I predecease

them. So I decided to sort out my estate planning earlier rather than later and in a tax-efficient manner.

Moreover, one of the things we should think about is the legacy we want to leave behind. There are a lot of demands in life, but I think it brings out the best of who we can be when we think about not only ourselves and our loved ones, but also those with whom we don't necessarily have any ties.

What inspired you to make this planned gift supporting financial aid and higher education, specifically?

Part of it is philosophical. When my dad left China in 1948 at the height of the Chinese Civil War, he had to leave everything behind—money, family, inheritance—and make a life for himself.

Being immigrants, my parents raised us with the mentality that you should earn what you need in life and be responsible for yourself. But they understood that education is absolutely indispensable in that regard; it's the most important gift you can give.

I greatly benefited from receiving financial aid to further my education. Without it, BC wouldn't have been affordable for me. If I have any legacy to leave behind for future generations, it would be the opportunity to receive a great education.



Establishing a bequest at Boston College is easy—simply add a few sentences to your will. Your attorney or BC's Gift Planning team can help guide you. Contact the Office of Gift Planning at **877-304-SHAW** or at **giftplanning@bc.edu** to start the process, ask questions, and get personal support.

Make a Bigger Impact Than You Imagined

By Ericka L. Webb
Executive Director of
Gift Planning
BOSTON COLLEGE



One perk about working at Boston College is that I'm able to see firsthand the direct impact that planned gifts have on every aspect of the BC experience. When I meet with students, deans, or program administrators, they always share how important generosity from donors has been—not only in terms of financial support, but also as a tangible representation of the donors' belief and encouragement. Truly, gifts like yours help Eagles feel inspired.

BC's Shaw Society members support the Heights for many reasons. But all have one thing in common: they want to make a meaningful, direct impact on Boston College. Some recent Shaw Society members include:

- parents who established two charitable gift annuities (CGA), taking advantage of the new CGA rates—a tax-wise option to have an impact at BC.
- an alumnus who left the majority of his estate to BC to establish a fund for student-athlete mental health initiatives.
- a widow of a deceased BC alumnus who added BC to her estate to support financial aid.

- a friend and local radio listener who included WZBC radio station in her estate plans.

Throughout this issue, you'll see that planned gifts can take many forms, from a simple bequest or beneficiary designation, to more complex options. What's more, you will read how the SECURE Act 2.0 makes it easier than ever to save for retirement while also strengthening BC.

We are always here to answer your questions and work with you to tailor your planned gift to your interests. Contact us at 877-304-SHAW or giftplanning@bc.edu. You are indispensable to the mission of Boston College and we are so grateful for your generosity.

Sincerely,

Ericka L. Webb

WE CAN HELP

Contact the gift planning team for confidential, personalized help, and start building your legacy today.

Ericka L. Webb

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THE SHAW SOCIETY

GIFT PLANNING | BOSTON COLLEGE

Welcome New Members

More than 90 alumni, parents, and friends have shared their planned gift intentions with Boston College since our last issue of *Bookmarks*. We are proud to recognize their support with membership in the University's prestigious Shaw Society.

Anonymous (6)
John Addonizio, P'20, '25
Lauren Addonizio, P'20, '25
Brenda Andrews '74
Chris Arthur '71
Marc Bala '96
Skip Beals III
Leon Bien '66*
Maureen Bien
Rachel Billings*
Peter Canavan '73, MEd'77
John Casey Jr. '64
Jim Cauley
Amy Chapman '04, MA'05, MEd'11
Esther Chang, Esq., '02, JD'07
Janice Choquette
Roger Choquette, P'04
Mary Jane Converse PMC'46*
Kathleen Culligan
Jim Curley '65*
Ernie DiMattia Jr. '61, P'97, '00*

Susan DiMattia, P'97, '00
Jill Doherty
John Doherty '72
John Downing '76, MS'86*
Anne Enos '77
Scott Froehlich '94
Alyce Galiano '68, P'96, '99
James Galiano '68, P'96, '99
Philip Garber
Meghan Garrity '93
Paul Garrity
Richard Greechie '62*
Ray Groves, P'91, '93
Louise Grueter, P'76*
Dolores Haritos, EdD'80*
Jan Holly PMC'58*
Paul Kiley '68*
Elaine LeComte, P'95, '00
David Levy '06
Elizabeth Levy '05
Harlan Levy, Esq.

Kelly Levy '90
Pat Lucey '73*
Charlie Lynch, Esq., '67
Ann Marie Manahan, P'24
Marc Manahan '92, P'24
John McCafferty, Esq., '69, P'05*
Cindy McCahill
Ed McCahill '79
Jean McLaughlin '68, MA'69
Joan Meagher, P'82, '84
Richard Meagher, P'82, '84
Roger Myette '48*
Linda Nash
Nancy O'Keeffe
Erica Osiecki '18, MA'20
James Parker
Jean Patterson '88, P'22, '25
Jeffrey Pelletier '94
Patricia Podsadowski MA'77*

Judith Prask, PhD'70
Anne Prime '02
Ryan Prime '02
Paul Reynolds*
Joanne Riordan '64*
Colleen Roth
Dieter Roth
Barbara Shambaugh '71*
Doug Shaw '77, P'08
Sharman Shaw, P'08
Peter Sheehan '60*
Geoffrey Silva '91
Jennifer Sims
Carter Sims '88
Charles Smith, Esq., '72, P'05
Michele Smith '72, P'05
Andrew Sodl, Esq., '01, JD'04, MS'05
Anthony Stein '59*
Michael Sullivan '70*
Timothy Sullivan, P'01

Mark Tatelbaum, Esq., JD'92
Frank Thomas, MD, MTS'02
Josephine Tingley '56*
Beth Tuico '89
Brad Tuthill '91
Lynn Tuthill
Steve Venezia, Esq., '76
Robin Walther *
Ryan Williams '11
Brittany Woods '10
James Woods, S.J., '54, MAT'61, STB'62, H'13*
Harold Yegge*
Christine Zebrowski

*Deceased

CGA: THE GIFT THAT PAYS YOU

Receive income for life and show your support for Boston College

A few years ago, as Roger Keith '67 was preparing for retirement, he began exploring ways he could give back to Boston College. A charitable gift annuity (CGA) stood out as the ideal option for his portfolio. “Not only does the CGA provide us some income and a tax benefit at the outset, it also has the added upside of helping BC in the long run,” says Keith. “It’s my own small contribution to this wonderful place that did so much for me.”

How does a CGA work?

With a charitable gift annuity, you make a gift to Boston College and receive an immediate charitable tax deduction plus fixed payments for life for you or other beneficiaries you name. What’s more, your gift will provide future support to BC!

If you don’t need income right away, you can defer payments until a later date. A deferred gift annuity still provides the same immediate tax benefits while building up resources for your future, which results in a larger income stream for you. If you are not sure when you would like to start receiving payments, you can choose from a determined time range by setting up a flexible deferred gift annuity. Whatever you decide, your income will be taxed at a favorable blended rate.

Your gift annuity payment amount is based on three factors: the age of the beneficiary(ies), when your payments start, and the size of the gift. (See chart below.) The minimum amount to establish a gift annuity is \$25,000.

Now’s the time to lock in a fixed, reliable income

CGA rates are higher than they have been in over a decade, which means higher income—for you.

Now is the ideal time to consider establishing a CGA to make a profound impact at Boston College and receive a fixed annual income for life, regardless of the economy’s ups and downs. It’s the gift that pays you!

How can you benefit from a CGA?

- Fixed annual income for life for you or a loved one.
- Charitable income tax deduction.
- Higher annuity rates if you are 70 ½ or older.

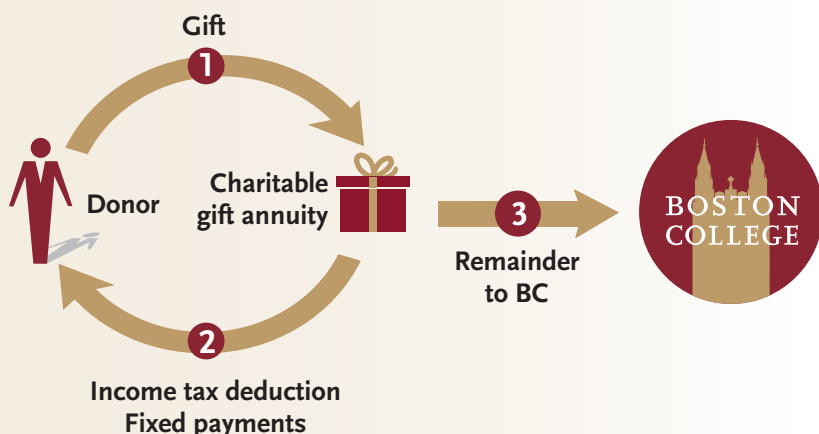


Not only does the CGA provide us some income and a tax benefit at the outset, but it also has the added upside of helping BC in the long run.

—Roger Keith '67, MEd'71



A CHARITABLE GIFT ANNUITY is a great way to receive income for life and show your support for Boston College.



CHARITABLE GIFT ANNUITY

Your Age at Gift	Your Old Rate	Your NEW Rate
55*	6.5%	7.9%
60*	5.5%	6.4%
65	4.8%	5.4%
70	5.3%	5.9%
75	6%	6.6%
80	7%	7.6%

SEE FOR YOURSELF

Use our free online calculator to explore what a charitable gift annuity can do for you: bc.edu/yourcga

*Payment deferred until age 65

Q&A with State Street's Carolyn Freeman

CGAs and Other Steady Options in a Volatile Market

As an undergraduate in New York City studying theater arts and psychology, Carolyn Freeman never imagined she would spend the bulk of her career at one of the world's leading providers of financial services—nor could she have predicted she would know so much about planned giving and investment services. Today she is the vice president and head of relationship management at State Street Global Advisors, Charitable Asset Management Division, and Boston College is the centerpiece of her portfolio. In her 35 years at State Street, she has gotten to know hundreds of donors through their investments in BC.

If Carolyn's name looks familiar, it is probably because you have established a charitable gift annuity (CGA) or trust with BC. You may have reached out to her with a question or received her newsletter. Or you may have noticed her moniker on mailings from State Street.

In addition to her day job, Carolyn serves as the treasurer for the Planned Giving Group of New England and is involved with the American Legion. She served previously on the Tufts Medical Center gift planning advisory board.

Q & A



What did you know about BC before it was part of your portfolio?

Growing up in Massachusetts, practically everyone knew somebody who went to BC.

For me, it was my uncle, Rick Mercier '75. BC has always had a great reputation for providing a faith-based liberal arts education—plus football and hockey.

What does State Street provide BC's donors?

Our investment team only manages planned giving programs. We have years of experience in managing for total return and effective payout rates, and we make sure that we maintain the health of the gift annuity pool. Some of our clients have multiple pools because of state regulations. Some are part of larger programs or smaller programs, so we can see what really creates a healthy program.

Why do you think gift annuities are so popular, versus all the other options?

Gift annuities are easy to understand and to facilitate and donors typically don't need lawyers involved because the contract is drawn up by Boston College. A gift annuity is a good way for donors to be able to make significant gifts to multiple organizations because the minimum is so much lower than that of a trust. Additionally, in a volatile market, gift annuity payments are not going to be based on market performance. They're locked in at a rate and donors can count on receiving that payment—regardless of the market fluctuations.

What are the trends you're seeing in terms of assets that people are giving?

What we're seeing with existing trusts are cash additions. For new trusts, we're seeing quite a few real estate-funded gifts. When I first started in this field in the 1990s, trusts were the most popular gift vehicle, gift annuities not so much. And when planned giving really first started back in the 1970s, pooled income funds were all the rage. A lot depends on how markets are performing and interest rates. Today people are doing CGAs, knowing that they're going to receive a certain payment for their lifetime and knowing how that payment is going to be taxed for their lifetime. CGAs offer a lot of security to older donors.

What should younger donors in their 50s think about when it comes to planning for retirement?

A flip trust is a great option because the trust has an opportunity to grow until the individual is ready to retire. A flip trust is typically a charitable remainder trust funded with real estate. It starts off as a trust with a non-liquid asset not generating income and flips to a regular trust once the real estate is sold and the trust can generate income.

These days, most people seem to change employers every couple of years. What makes State Street special?

It's definitely clients and the people I work with here—people who are committed to the organizations they work with. I love hearing what's going on at BC and how it's helping to make this world a better place. I also love hearing from the donors about why they've made a particular gift. It helps connect why we're here every day. I feel like I am helping make this world a better place. I know that sounds corny, but it really is the truth.



New bill makes IRA transfers to Charitable Gift Annuities possible

What do this year's new tax laws mean for your saving and your giving?

For years, the charitable community has sought legislation that would treat the transfer from an IRA to a life-income gift as a qualified charitable distribution (QCD). At last, the Consolidated Appropriations Act of 2023 (a.k.a. the SECURE 2.0 Act) contains such a provision.

What is the "Legacy IRA" legislation?

Put simply, a donor who is 70 ½ or older can make a one-time, tax-free QCD from their IRA in exchange for a CGA. Certain circumstances must apply, including:

- You must be 70 ½ or older to take advantage of this opportunity.
- You can contribute up to \$50,000 once during your lifetime in one tax year.
- To qualify, the QCD must go directly from your IRA custodian to Boston College.

FAQs

If I don't use the full \$50,000 in a single calendar year, does it rollover?

No. This is a once-in-a-lifetime election and can only occur in one tax year. You have one year in which to use this opportunity. There is no rollover or carry forward.

How does the Legacy IRA QCD work with the existing QCD law?

The Legacy IRA will count towards the annual QCD limit of \$100,000.

Note: As part of the SECURE Act 2.0, the \$50,000 and \$100,000 limits will be adjusted annually for inflation beginning in 2024.

Is there an age limit?

You must be at least age 70 ½ at the time you make a QCD contribution of any kind. If you include a nondonor spouse under 70 ½ as an income beneficiary, your gift will still qualify so long as the CGA payout amount is at least 5%.

Does a QCD to a life income plan satisfy my required minimum distribution (RMD)?

Yes. Just like an outright gift of a QCD, a QCD to fund a life income plan satisfies your RMD dollar for dollar.

Are QCD CGA annuity payments taxable?

Yes, all QCD CGA payments are taxed as ordinary income.

LET'S TALK!

We are happy to answer your questions! Please call us at **877-304-SHAW**, email us at giftplanning@bc.edu, or visit bc.edu/legacy-ira.

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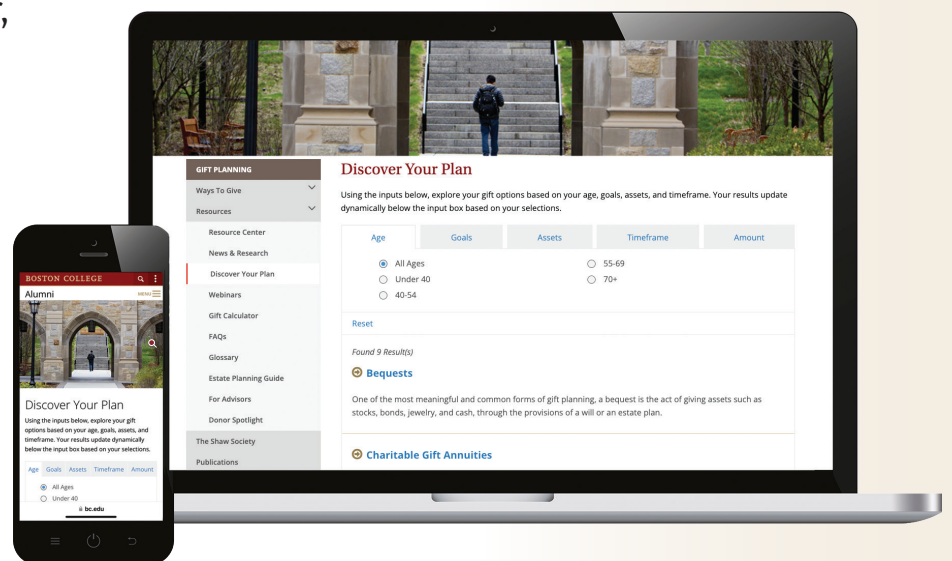
WHAT YOU NEED TO
KNOW ABOUT 2023'S
NEW TAX LAWS:
Secure 2.0 Act FAQs
See page 5



Discover Your Plan

With our online personalized plan finder, learn how you could make a gift of real estate, reduce your taxes, and possibly receive fixed payments for life—while also fulfilling your philanthropic goals.

If you prefer to have a conversation with a member of our team about your options, please contact the Office of Gift Planning at **877-304-SHAW** or **giftplanning@bc.edu**.



bc.edu/yourplan