



My Dear Friends in Christ:

It has been said that the Catholic Church “thinks in centuries.” This may sound unusual to some, but there is much truth to it. After all, the Church has existed for twenty centuries, and the Faith that inspired the martyrs of the first century is the same Faith that we are called to embrace as 21st century Catholics. The Church’s goal each generation, each century, each millennium is to instruct, inspire and encourage Catholics to embrace the Faith and to share it with others. Of course, our Faith is not in a set of precepts or laws but in a person: Jesus Christ. As Sacred Scripture tells us, Jesus is the Way, the Truth and the Life, and He calls us to learn from Him and to follow Him. His life must be ours. This is our Catholic Legacy!

Jesus’ call to follow Him is never a general call to the masses, but a specific one to each of us as we are right now. It is a specific call because each of us has specific talents and resources that only we can give to help further God’s kingdom on earth. How we develop and share those gifts indicates the depth of our faith commitment to the mission of Jesus and His Church. This is the stewardship message in a nutshell.

Planned giving – or the stewardship of our assets – is a particular aspect of stewardship. Planned giving is the intentional sharing of the things we have accumulated over our lifetime to further the mission of the Church. By doing so we make a profound statement that our faith was a significant priority during our lifetime. Our gift will ensure that those who come after us will have similar opportunities to grow in their faith.

Thank you for seriously and prayerfully considering the information that is contained in this booklet. May God bless you always for your gifts of time, talent, treasure . . . and assets that will allow our Catholic Legacy to be passed on for generations to come.

Cordially yours in Christ,

Thomas G. Doran

Most Reverend Thomas G. Doran D.D., J.C.D.
Bishop of Rockford



Dear Friends:

Each generation of Catholics is given a great challenge: how do we pass on the faith to the next generation? While there is no right or wrong answer, history demonstrates that there are two common activities.

The first is evangelization, which means to know and share our faith with others. Knowing our faith well takes excellent schools, religious education programs and adult formation programs. Equipped with “head knowledge” of their faith, Catholics of all ages must be given the necessary skills at the parish and diocesan level to boldly share their faith with others who do not yet know Christ and His Church.

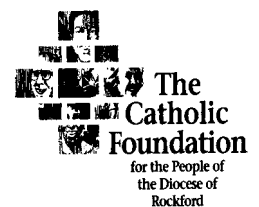
A second common activity is Christian stewardship, or the careful and prayerful sharing of our God-given resources. By sharing our time, talent, treasure and assets with our Church and the poor and vulnerable among us, we place a tangible value on the faith we have received from the generation before us. One of those God-given resources – our assets – includes the things we have accumulated over our lifetime. Bequests in wills, charitable gift annuities, trusts and gifts of real estate are all planned gifts, or gifts that come after much thought and consultation with professional advisors. These important gifts will ensure that our lives will touch the lives that come after us. Endowing these planned gifts through the Catholic Foundation (see page 3) will ensure that they will give back long after we have received our eternal reward.

Thank you for taking time to read through this booklet and for your concern about passing your Catholic faith on to the next generation. I hope the information included answers all of your questions about planned giving opportunities in the Diocese of Rockford. If not, please feel free to call me any time at (815) 399-4300 and I will be glad to speak with you.

Peace in the Lord,

John Sentovich

John P. Sentovich
Executive Director,
The Catholic Foundation



Opportunities to Support Your Parish with a Planned Gift

The parish is the place where most Catholics experience, learn about and live out their faith. Many people have been members of a parish for all of their lives and can trace back through their relatives to the time when the parish was built. For many others who have moved away from their original home, their new parish is a first step to sink roots in a new area, to find community and to continue their spiritual growth.

Your Parish

Unrestricted planned gifts will provide resources so that the parish can continue its ministry and maintain its physical structures for future generations.

Catholic Education

Catholic education is a critical ministry to form Christian disciples and leaders for the next generation of the Church. The curriculum must be Christ-centered. The school must have the educational resources to prepare the student to meet the challenges of the 21st century and must have the ability to pay just salaries for competent faculty. The Religious Education program must have a qualified Director/Coordinator, trained catechists and high quality educational materials.

Parish Buildings

Maintenance, upkeep and constant improvements of parish facilities are necessary for the community to worship, to learn, to serve and to socialize.

Parish Cemetery

To show respect and care for the dead is one of the corporal works of mercy. Perpetual care of the parish cemetery is a responsibility of every generation so that sacred space will be available for all who wish to remain closely associated with their parish even in death.

Special Parish Ministries

Perhaps your parish has a food pantry, soup kitchen, St. Vincent de Paul Society, a ministry to the sick, shut ins and/or elderly, an excellent music ministry or youth ministry program. Any of these pastoral ministries can be designated in one's planned gift.

Endow Your Gift through the Catholic Foundation

When donors make a gift to the Diocese of Rockford, they have two options: an outright gift or one that is endowed. An outright gift goes directly to the parish, school or diocesan organization and can be spent immediately. Gifts like these can be directed by the donor to be used for specific reasons such as building repairs, youth programs, new equipment or other capital expenditures. They are the lifeblood of church support and are always welcome.

Endowed gifts are a bit different. When a donor directs a gift for endowment, the gift is placed in the Catholic Foundation and generates earnings year after year through prudent investments by the Catholic Foundation Board of Directors. The principal amount of that gift is never touched. This option ensures donors that their gifts will continue to support their favorite parish, school or diocesan organization long after they are gone.

Example:

Bob and Mary Smith are lifelong members of St. Mary's Parish. In their will they designate \$100,000 of their estate to go into St. Mary's Parish endowment account. If the account averages a 10% return over time, Bob and Mary's gift will generate \$10,000 each year that the parish can use to enhance its ministries and further its mission. After ten years, their gift will have generated \$100,000 in gifts, and the principal will still be invested!

The Catholic Foundation is overseen by a competent professional Board comprised of volunteer Catholics representing every deanery in the Rockford Diocese. The diversified, multi-manager approach employed by the Foundation Board utilizes top investment firms around the country with expertise in large, mid and small cap stocks, as well as growth and value disciplines. The Board utilizes the know-how of the institutional arm of Wachovia Securities, which advises the Board on manager selection and performance, asset allocation, investment policy development and adhering to our Catholic Values Investment Policy.



Mary and Santo Ruggero - Christ the King, Wonder Lake

Real Estate

In the early '70s we purchased a tree farm as an investment for our family. When we put our estate plan together recently, we determined that the best use of this asset would be to donate it, for several reasons. First, we could help several charities in the future within and outside the Diocese of Rockford. Second, we would not have to pay capital gains tax on the appreciation in the value of our property. And third, by having the Diocese sell it and establish a charitable gift annuity with the sale proceeds, we turned a non-producing asset into a steady stream of payments for a family member.

We were very pleased with the whole transaction, which went smoothly and saved us a lot of time and energy. We are very grateful to God, who has blessed us so abundantly!

Outright/Immediate Gift Opportunities

Gifts of Cash

If you itemize, every dollar you give outright to support the Church's work is tax deductible. The maximum deduction allowable for gifts of cash in any year is limited to 50% of your adjusted gross income. (Any amount given in excess of this limitation can be carried over and deducted for up to five subsequent years.) Thus, a gift of \$1,000 this year actually costs you only \$750 if you are in a 25% tax bracket.

Cash gifts are the most common form of giving, and are as easy as writing a check. Clearly, cash gifts have many advantages, one of which is that they are immediately available to assist your parish or school. But there are other forms of giving that can be equally attractive.

Gifts of Real Estate

The tax benefits available for gifts of appreciated real estate are virtually identical to those for gifts of appreciated securities. First, you avoid capital gains tax on your profit. Second, you receive an income tax charitable deduction for the full fair market value of the property you contribute.

Gifts of appreciated real property such as undeveloped land, farms or personal residences may be transferred by deed with no liability for income or estate taxes on the appreciation.

Gifts of Appreciated Securities

If you have marketable securities that have grown substantially in value, the tax laws make it possible for you to make an important gift at remarkably low after-tax cost. Indeed, under the right circumstance, a benefactor could make a gift worth \$100,000 at a cost of as little as \$50,000. A lifetime gift of appreciated securities generally not only qualifies for the income tax deduction associated with all lifetime charitable gifts, but also avoids the long-term capital gains tax on your paper profit. Usually, a sale of appreciated securities results in a tax on your full gain – meaning that you keep only part of the profit. But if appreciated securities are given to a qualified charitable organization like the Church, there is no tax on your gain, even though your "profit" is counted as part of your charitable deduction.

Let's examine how these double tax savings can result in an extremely economical gift.

Suppose George bought XYZ stock in 1990 for \$2,000. Today the stock is worth \$10,000, so George has a long-term capital gain of \$8,000. He would owe tax of \$1,200 if he sold the stock (the capital gains tax rate for securities held more than 12 months is generally 15%). Instead of selling, George contributes the stock to his parish. Assuming George is in a 35% federal income tax bracket, his \$10,000 gift saves him \$3,500 in income taxes, plus \$1,200 in capital gains taxes, for total savings of \$4,700. George's after-tax cost is only \$5,300. "But wait," says George. "I love that stock. I'd rather give \$10,000 cash and keep my securities." One answer for George would be to give the securities, and then buy more XYZ stock, using his tax savings to help replace the XYZ stock in his portfolio.

In summary, here are the rules for giving appreciated securities or other property:

- ❖ The full fair market value of the property, if you have owned it more than one year, is deductible in the year of the gift.
- ❖ If the gift, coupled with other gifts, exceeds 30% of your adjusted gross income (the maximum deduction allowable for most gifts of appreciated property), the excess can be carried over and deducted in up to five subsequent years.
- ❖ No matter how much the property has appreciated in value, you pay no capital gains tax on your paper profit.
- ❖ If you contribute assets other than publicly traded securities, you will need a qualified appraisal if the value is over \$5,000.

The timing of your gift of appreciated securities is often crucial. The value of the stocks (for purposes of your income tax deduction) will be set by the value of the securities on the day the gift is actually made. In the case of actively traded securities, the value is the mean (average) of the highest and lowest quoted sales price on the day of the gift.

It is easy to make gifts of securities. If you own the stock in a brokerage account and would like to make the transfer by wire, that is the most simple way to give securities. Just contact the Diocese to get the appropriate routing information. If you have the stock certificates in your possession, send the unendorsed stock certificate by registered mail to our office. Enclose a cover letter outlining the purpose of your gift, along with a description of the issues and the number of shares and certificates. Send separately a signed "stock power" form for each certificate with the name of the issue filled in. You can call our office to receive a blank stock power form.

Alternatively, you can hand-deliver securities to your pastor or other officer of the Diocese of Rockford or the Diocesan organization you wish to benefit.



Albert Logli - Cathedral of St. Peter, Rockford

Life Insurance

When my wife passed away in 2000, I was looking for an opportunity to honor her name. She was a teacher for many years at The Cathedral of St. Peter in Rockford and had a great love of and devotion to her students. I owned two life insurance policies that I purchased years ago and no longer needed. I contacted the Diocese of Rockford to see if there was a way I could use these policies to make a gift in memory of my wife. After several options were considered, I decided to donate the policies to the Catholic Foundation. The Foundation liquidated the policies and used the proceeds to establish the Margaret M. Logli School Endowment. The purpose of the endowment is to provide permanent financial assistance for the ongoing needs of St. Peter School. I am grateful knowing that my wife's name will live on through this annual award.

Life Insurance Gifts

A common "hidden asset" for giving is a life insurance policy that is no longer needed for its original purpose. Let's assume that your family has grown and that there is no longer a real necessity for retaining a \$50,000 policy purchased many years ago. The policy has a cash value of about \$20,000. You can make your parish or school the owner and beneficiary of the policy and continue to pay the premiums. You'll gain an immediate tax savings of \$6,600 (a \$20,000 deduction at an assumed 33% income tax rate). And you'll gain additional tax deduction savings for the premiums you pay in future years. The full \$50,000, with no reduction for the estate tax, will come to your parish or school to benefit future generations.

To make a life insurance gift, ask the insurance company for forms that will change the beneficiary and ownership designations, and send us the policy.

Charitable Lead Trusts

It's possible to contribute merely the income from securities or other property temporarily and enjoy substantial income tax or gift and estate tax benefits. We're talking about an exciting gift technique called the "charitable lead trust."

The concept is simple: You transfer income-producing property to a trust for a number of years, and later the property either comes back to you or goes to family members or other beneficiaries. Trust income is paid to the Church while the trust is in force. Where do the tax

savings come in? Let's look first at a situation in which a donor wants a large income tax charitable deduction and also wants to get the trust property back after a few years.

A donor can transfer tax-free municipal bonds to a charitable lead trust lasting almost any number of years (this technique usually is most effective with tax-exempt securities). He or she will be entitled to an income tax charitable deduction in the year the trust is established.

For example, if the trust is funded with \$100,000 and is to last five years, and the church is to get exactly \$5,000 a year, the donor can deduct more than \$22,000 (depending on current IRS deduction tables) in the year of the gift and be assured of getting the bonds back. The donor's tax savings could even be used to purchase more tax-free municipals.

Truly significant gift-tax or estate-tax savings are available if income-producing property passes to family members at the end of the trust. The trust can last for any number of years, and you will reduce your taxable income during the term of the trust. A gift tax charitable deduction is available for the Church's right to receive the trust income, and this deduction can reduce or even eliminate the gift or estate taxes that might normally occur in transferring property to your heirs.

Suppose a father has \$2 million in stock that he wants to give to his daughter. The stock has had a steady 4% yield, which probably will continue. If he gave the stock to his daughter, he would owe gift tax of as much as \$435,000. However, if he instead transfers the stock to a lead trust that will pay the Church \$80,000 a year for 18 years, with the stock then passing to his daughter, he will completely eliminate gift taxes (depending on current IRS deduction tables). And even if the stock increases in value, there will be no additional tax.

Note: The above example involves a trust of \$2 million, but tax savings can also be realized with gifts of smaller amounts.





Jody Deery - St. James, Rockford

Bequest

The Lord blessed me and my late husband, Hugh, with eight wonderful children. He also blessed us with a successful business, the Rockford Speedway, which I have had the pleasure of running since my husband's death. When I met with my attorney to determine the distribution of my estate, I wanted to make sure that my children would share in the blessings I have received, but I also wanted to help my parish, St. James in Rockford, which has many needs, a large school and reaches out to the poor in our city. I attended a seminar sponsored by the Diocese where the speaker suggested making my parish "one of my children" when I distributed my estate. Since St. James has been there for me and my family in so many ways over the years – weddings, funerals, baptisms, Sunday Mass and providing my children a good education – I thought the idea had great merit. So rather than dividing my estate eight ways, I am dividing it nine ways, with St. James receiving an equal share with my children.

Deferred Gifts

There is a special category of gifts known variously as “deferred” gifts, “planned” gifts or “life-income” gifts. These are gifts that can provide you with an immediate income tax deduction, but also may afford other benefits such as life income, future continued use of the gift property, avoidance of capital gains tax and other advantages. Some deferred gifts, such as bequests, provide primarily gift and estate tax savings. Here, in brief, is an overview of these gift methods.

Gifts by Will or Living Trust

A bequest is the most traditional way to practice stewardship through planned giving. With a gift through your will or living trust, you retain full use of your gift property during your life.

We have listed several common forms of charitable bequests with the hope that one type of bequest will fit your individual needs. Further information is available upon request. We will be happy to provide you or your attorney with sample language for any bequest and to work with you to ensure your bequest satisfies your philanthropic goals.

General Bequest

The most familiar type of bequest is the general bequest, which specifies that we will receive a designated sum. For example, you might make a general bequest of \$10,000. You may prefer this arrangement because it is considered a primary charge against your estate – which means it will almost certainly be fulfilled.

Example: I hereby give and bequeath the sum of \$_____ to the Parish, (school or diocesan organization) (city), IL, an Illinois religious corporation.

Percentage Bequest

This is an excellent alternative to the general bequest. The percentage bequest states that your parish, school or the Diocese of Rockford will receive a certain predetermined percentage of your estate. By making a percentage bequest of 10%, for example, you assure yourself that inflation will not reduce the true value of the bequest you intended for our benefit.

Specific Bequest

When making a specific bequest, you are directing that one particular property be transferred to the Church, such as a certain piece of real estate, the stock from one specific company or some other specific property. This type of bequest is ideal for individuals wishing to give particular stocks or a valuable art object.

Caution: A specific bequest can be satisfied only with the property designated. If that property has been sold or otherwise removed from the estate, the Church receives nothing in its place.

Residuary Bequest

This bequest directs that the Church will receive either everything remaining in your estate or a designated percentage of your estate after all necessary costs, all general bequests and all specific bequests are satisfied. This type of bequest allows you the flexibility of making several primary bequests while still giving you the assurance that the Church will be a secondary beneficiary of your estate. But the residuary bequest has the drawback of uncertainty. We receive only as much or as little as is left after all primary obligations are satisfied.

Example: I devise and bequeath _____% of the residue of my estate to the Parish, (school or diocesan organization) (city), IL, an Illinois religious corporation.

Contingent Bequest

As the name implies, this bequest is “contingent” on some event. Usually, you might make a primary bequest for a relative, with the contingency that if that relative is not living at the time of your death, the bequest will pass to the Church. The contingent bequest is often used in the case of a husband or wife who stipulates that if his or her spouse is not living at the time of his or her death, then the bequest specified for the spouse will pass to their parish or some other Church ministry.

You can also permit your primary beneficiary to “disclaim” (decline) a bequest and direct that it would then pass to the Church, the contingent beneficiary.





Frances Kreutzer - St. Mary, Huntley

Charitable Gift Annuity

I sure love my parish. When I was given an opportunity to help St. Mary's in Huntley build its beautiful new church on our farm, I was deeply honored. God has blessed my life with good health, a beautiful family and many friends. This was my chance to give back. Then when I was told about the charitable gift annuity program as a way to make a gift and receive a fixed payout for as long as I live, I thought it was a "win-win" situation. The fixed payouts at great rates greatly enhanced my retirement financial picture, and the knowledge that I will be making a significant contribution to my parish when I go to be with the Lord gives me a great feeling. I would recommend anyone over the age of 65 to seriously consider a charitable gift annuity. They're great!

Charitable Gift Annuities

You can make a gift to the Church and retain fixed lifetime annuity payments for yourself and other beneficiaries.

A variety of tax and financial benefits are available. You will be entitled to favorable taxation of your annuity income. Capital gains taxes can be minimized if you use highly appreciated assets to fund your gift. Furthermore, you will be entitled to a substantial income tax charitable deduction in the year you make the gift.

Here is an example of how such a gift might work: Richard and Anna are typical of many retirees looking for greater return from their investments and savings. They have \$100,000 in certificates of deposit that are about to mature, but they hesitate to “roll over” the \$100,000 into a new CD because they are dissatisfied with the interest rate.

Instead, they decide to enter into a gift annuity that will provide them with the following benefits: a 6% annual payout, a sizable charitable deduction and the satisfaction of making a truly significant contribution to our future.

When the CD matures, Richard and Anna transfer the \$100,000 into a gift annuity that will pay them a fixed annuity of \$6,000 a year (6%) as long as either of them is alive. Their annual income from the \$100,000 increases dramatically. At their ages (73 and 71) they receive a charitable deduction of about \$33,900. (Note: Deductions vary based on interest rates issued every month by the IRS; call us for the deduction figures that would apply in your case.)

Most importantly, at the end of their lives, the Diocese of Rockford will transfer the funds remaining from their gift annuity to their parish. Richard and Anna live their faith every day; it gives them great joy to know that their faith will touch others beyond their lives.

Benefits per \$10,000 Contributions: Annuity Payments to One Beneficiary

Age of Recipient	Payout Rate	Annual Payment	Deduction* per \$10,000
65	6.0%	\$600	\$3,553
70	6.5%	\$650	\$3,952
75	7.1%	\$710	\$4,433
80	8.0%	\$800	\$4,905
85	9.5%	\$950	\$5,256

*Assumes use of 5% applicable federal rate with quarterly payments

Making a gift and keeping lifetime annuity payments is especially attractive to investors who find themselves in a “locked in” position: They own securities that are highly appreciated but pay lowly dividends. They would like to sell and reinvest for more income, but face capital gains taxes (up to 15% of their profit) if they do. By making a gift of the securities and retaining a lifetime annuity, they receive payments based on the full current value of the securities – with no capital gains taxes taken “off the top.”

Note: Your gift can be arranged to provide benefits in your retirement years, as a retirement income supplement for a faithful employee or as a means of providing financial support to a friend or family member. We would be pleased to help you plan any gift that helps advance your personal planning goals.



Benefits of Leaving Bonds

Many Americans have U.S. savings bonds, tucked away, perhaps, in a desk drawer or safe deposit box. Savings bonds are valuable, but they may be subject to heavy federal income taxes and state and federal “death taxes” in a person’s estate. For example, heirs who receive \$50,000 in savings bonds from your estate may have to pay income tax on \$25,000 or more of built-up interest. Furthermore, the full \$50,000 could be subject to federal estate tax of 45% or more, leaving them with only a fraction of the bonds’ value.

You can erase all taxes on savings bonds at death by changing your will or revocable living trust to specifically leave bonds to your parish. Savings bonds that we receive pass 100% free of estate taxes and, as a tax-exempt organization, we would owe absolutely no income taxes on the bonds. In other words, every dollar could be used for the parish, in contrast to the shrunken after-tax amount that would be available to other beneficiaries.



Testamentary Life-Income Gifts

Charitable remainder trusts and gift annuities can be set up to take effect only after your death. This type of arrangement in your will serves as a “deferred bequest” to the Church. But your bequest helps family members first.

A bequest of this type provides your beneficiaries with the investment and management expertise of a trustee. Furthermore, the gift can yield significant estate tax savings for your estate.

Providing Assistance Outside Your Will

It isn’t difficult to add a charitable bequest to your will. A simple codicil, drafted by your attorney, will get the job done.

But there are also ways you can continue your lifetime of stewardship without changing your will. Here are some ideas:

Financial Accounts

Most accounts at financial institutions can be made payable on death to a person or your parish, school or other Diocesan organization. Ask the manager of the institution how you can arrange to designate a death beneficiary for your CD, savings account, share account, etc. Often, this can be accomplished through a “P.O.D.” (payable on death) designation. Securities in a brokerage account can be left through a “T.O.D.” (transfer on death) designation.

Benefits from Retirement Plans

People who have IRAs, 401(k) plans or other retirement plans are often shocked to learn that as much as 70% of their accounts can be lost to taxes at their deaths. A combination of state and federal “death taxes” and income taxes can severely deplete your savings, leaving little remaining for your heirs. If you make your parish the beneficiary, however, 100% of all taxes would be avoided. You can use your IRA to benefit both family members and a Church ministry, with excellent tax results. For example, you can leave your retirement account to a trust that will pay income for life (or a fixed term of years) to family members, with funds remaining in the trust passing to the Diocese at the trust’s termination. Or you can leave part of your retirement account to the Church and the rest to family members. At the very least, consider making us the alternative beneficiary and give your heirs the right to “disclaim.” Heirs who understand the severity of taxes may find it satisfying to have retirement assets pass 100% to the Lord’s work.

It’s simple to make a gift of an IRA or other retirement account. Just instruct the custodian of your account to name us as death beneficiary. IRA distribution rules make charitable designations both simple and attractive. The custodian can provide you with the appropriate forms.

Living Trusts

Many committed Catholics have established so-called living trusts, or revocable living trusts. You can name your parish as one of the beneficiaries of your trust at death. If you wish, our benefit can be deferred while lifetime income is paid to a family member. You even can provide for payments of trust income to your parish during your lifetime, and anything we receive will qualify as a charitable deduction on your personal income tax return.

Charitable Remainder Unitrusts

A unitrust is an arrangement in which you irrevocably place money or property with a trustee, with instructions to pay someone (probably yourself) income, generally for life. The income will be a set percentage of the trust's value, which may change from year to year. When the person receiving the income dies, the property remaining – the “remainder” – can pass to a parish, school or other diocesan organization.

By designating a charity as the remainder beneficiary, you'll provide yourself with an income tax charitable deduction. And depending on your planning needs, you can arrange for:

- ❖ Increased income for your family;
- ❖ Capital gains tax avoidance;
- ❖ Tax-free income;
- ❖ Increased income at retirement;
- ❖ Diversion of income to a family member in a low tax bracket;
- ❖ Estate tax savings;
- ❖ Avoidance of gift tax;
- ❖ Professional investment of your funds;
- ❖ A hedge against inflation; and
- ❖ Reduced estate settlement costs.

People have been using unitrusts for many years now to assist them in their personal, financial, tax and stewardship planning. It's a singular opportunity for you, a private individual, to have a tax-exempt trust working for you. Most importantly, the unitrust is a proven, time-tested way for you to provide for the Church while you satisfy personal and family financial needs.

Here is how a unitrust could help some hypothetical donors:

An investor who had enjoyed success in the stock market wanted to diversify her portfolio and reinvest growth stocks for higher income. Capital gains taxes, however, were bound to deplete her profits and after-tax nest egg. Solution? She transferred investment assets to a unitrust, reserved a 7% lifetime income and avoided all capital gains taxes when the trustee sold and reinvested her securities. She increased her income and received a charitable deduction, as well.

A farmer whose children had moved to the city wished to retire and sell his farm, but capital gains taxes stood in the way. He escaped from this “locked in” position by deeding the land to a tax-exempt charitable remainder unitrust. The trustee sold the property, avoided all capital gains taxes and is paying the farmer and his wife income for life. The farmer received a large tax deduction, too, because eventually the Church will receive the trust assets.

A retired couple grew weary of the burdens of managing the investments in their portfolio. They transferred stocks and bonds to a unitrust and now have the services of an experienced

trustee (money manager) who sends them quarterly checks that make their golden years even brighter.

A doctor who formerly had sent monthly checks to her aged mother transferred some stocks and bonds to a unitrust that will pay income to her mother for life and then continue the payments for the rest of the doctor's life. She received a substantial income tax charitable deduction, and now the payments to Mom are made from a tax-exempt trust – instead of from the doctor's after-tax income.

Gifts of Farms and Homes

If you own your home or farm – or even a vacation home – you may be able to make a gift of the property, obtain an immediate income tax deduction and still continue to use the property for as long as you wish. How does this work? Simply give the property to the Diocese, but retain the right to use it for your life. You can continue to live in your home or work your farm, just as before. Only after your death will the Church (Parish, school or diocesan organization) receive the usual ownership rights in the property.

By setting up this gift now, rather than in your will, you will receive an immediate income tax deduction for the present value of our future right to receive your property. Consider the following hypothetical example involving Sam and Cathy:

Sam is 77 years old and Cathy is 75. Sam has a comfortable retirement income, and he pays a good deal of income tax each year. He owns the home in which they live, having paid off the mortgage ten years ago.

Sam and Cathy plan to live in their home for the rest of their lives, but they would also like to leave a generous gift to benefit their parish. Therefore, Sam has decided to give the Church the home, currently worth \$200,000, retaining use of the home for his life and for Cathy's life. Based on their ages and other factors, Sam will receive an income tax deduction of \$60,000 to \$80,000. This arrangement also can reduce their estate taxes.

You can also give an “undivided interest” in property that you own and receive an immediate income tax deduction. For example, you could make the Church the owner of a 10% interest in your vacation home. In order to qualify for the tax deduction, you would have to contribute a 10% interest in every ownership right, including, theoretically, the right to use the property. Our real benefit is that, whenever the property is sold, we will receive 10% of the proceeds – even if the sale doesn't occur until after your death. And the real benefit to you is a deduction for about 10% of the value of the gift property to reduce your current income taxes.



Opportunities to Support Your Diocese

Diocesan Administration Center

After much analysis and consultation, the Diocese of Rockford consolidated its offices into one building on the outskirts of Rockford near the I-90 tollway. Prior to this move, diocesan offices were spread out in various locations. The new facility accomplishes the following: 1) allows for easier access to all diocesan ministries; 2) is equipped with modern technologies; 3) facilitates interdepartmental collaboration and communication; 4) offers adequate space for official meetings and gatherings of priests, lay leaders and consultative bodies; 5) encourages efficient usage of human and material resources; and 6) will meet the pastoral and administrative needs of the Diocese for the foreseeable future.

The cost and related moving expenses for the Diocesan Administration Center was \$7 million. Estimates for building and equipping a similar building were double this cost. Those interested in memorial opportunities to cover the purchase price or to contribute to an endowment for the upkeep of the Center are encouraged to name the Diocese in their will, trust, life insurance policy or other estate plan document, designating the gift to be used toward the Diocesan Administration Center. If you are interested in visiting or learning more about the Diocesan Administration Center, please contact the staff of the Office of Stewardship Development at (815) 399-4300.

You may designate your planned gift to be endowed in the Catholic Foundation or as an outright gift.

The Diocese of Rockford

An unrestricted planned gift greatly assists the Bishop and His Curia to address special concerns, projects and challenges that go beyond the normal operating revenues.

Social Ministries

The Church is called to be in solidarity with the poor and to assist them to the best of our ability. Catholic Charities provides social services to many people in need in every part of the Diocese. St. Elizabeth Catholic Community Center reaches out to the poor in southwest Rockford. These services need to be developed and strengthened.

Lay Ministry Formation

Parish lay leaders have the opportunity to participate in a two-year formation and skills development program to prepare them for leadership roles in their home parish.

Communications

In order to bring the Word of God to the society as a whole, the Church needs to have a strong and consistent presence in various forms of modern media that include the diocesan newspaper, *The Observer*, radio programs, Masses and special events on TV.

Diaconate Program

Candidates for the Diaconate are trained in a four-year formation and educational program preparing them to assume responsibilities of their role according to Church law. Once ordained, deacons have a constant need for ongoing education and formation.

Hispanic Ministry

Many immigrants have arrived and are arriving in our diocese each day from Mexico, Puerto Rico, Central and South America. Fulfilling the pastoral, sacramental and formational needs of these new members is critical to the well being of our Catholic Church in the U.S.

Campus Ministry

The Rockford Diocese has a long tradition of providing excellent ministry and being a pastoral

presence for our Catholic young people at the various universities and colleges within the Diocese, most notably at Northern Illinois University in DeKalb.

Family Life Ministry

The domestic church is the cornerstone of our society. Engaged and Marriage Encounters, Parenting, Rainbows for all God's Children, Divorced and Separated are some of the many opportunities the Diocese offers to enrich family life.

- ❖ Bishop Lane Retreat Center
- ❖ Holy Family of Nazareth Center
for Youth and Families
- ❖ Vianney Oaks Priests Retirement Home

Located in Ogle County near Byron, these three beautiful facilities offer a special place of rest, reflection and spiritual growth for the people of the Diocese. Bishop Lane and Holy Family of Nazareth are the retreat centers; Vianney Oaks provides housing for six Rockford diocesan retired priests. Both the ministries and facilities are in constant need of assistance and upkeep.

Other diocesan special concerns . . .

Many other ministries, such as Stewardship, Research and Planning, Scouting, St. Francis Office for Persons with Disabilities, Respect Life, Ethicist for Health Concerns and Diocesan Cemeteries, to name a few, are critical to the well-being of the Diocese.

More information about any of these diocesan ministries is available by contacting the Director of Planned Giving in the Office of Stewardship Development, PO Box 7044, Rockford, IL 61125-7044, (815) 399-4300.



United in Faith Endowments



You may designate the United in Faith Endowments as a beneficiary of your planned gift. You may indicate the gift to be distributed proportionately to all five endowments or designate one or a combination of any of the specific endowments.

Historical Background:

In 2000, after consultation with all diocesan advisory and consultative bodies and after a feasibility study, Bishop Doran authorized a \$35 million endowment campaign. He organized a clergy committee and appointed lay leaders to oversee and supervise what came to be known as the United in Faith Endowment Campaign. In the fall of 2000 and throughout 2001, all parishes conducted the campaign. With the exception of the Diocesan Stewardship 2001 Appeal and the parish rebate portion, the United in Faith Campaign focused on establishing and funding five endowments.

These endowments are:

Catholic Education Endowment – \$8 million goal

All Catholic elementary and Diocesan Central Catholic High Schools will benefit from this endowment. Earnings will be distributed to the schools in order to enhance teacher

salaries, curriculum development, tuition assistance and operating and capital expenses.

Religious Education and

Youth Ministry Endowment – \$4 million goal

All parish Religious Education and Youth Ministry Programs will share the earnings of this endowment for ongoing training of the Director/Coordinator of Religious Education and/or Youth Ministry, training of catechists and youth group volunteers and supplement library and media resources.

Seminarian Education and Priest Continuing Education Endowment – \$8 million goal

The earnings of this endowment will assist in paying for the education and related expenses of the seminarians associated with the Rockford Diocese. The earnings will be also designated to educate priests in special fields of knowledge needed by the Diocese.

Assistance Fund for Needy Parishes and Schools Endowment – \$3.5 million goal

The earnings from this endowment will be awarded to qualified parishes and schools in the priority areas of tuition assistance, capital projects and debt relief.

Priests' Retirement – \$2.5 million goal

The earnings from this endowment will be distributed to the Rockford Diocese Clergy Retirement Program and be used to increase the benefits of the retired and disabled diocesan clergy who have given their lives in service to the people of the Diocese.

