The Heritage Circle
Midwestern University

Financial and Philanthropic Planning Ideas

FALL 2015

In Life and in Medicine, It's About the Company You Keep

For Chicago College of Osteopathic Medicine Class of 1983 alumni Joyce McDonald, D.O. and Kenneth Tarr, D.O., supporting Midwestern University's Chicago College of Osteopathic Medicine is a family affair. Married for 32 years, Dr. McDonald and Dr. Tarr have a strong appreciation for their education at CCOM—not only because it was the place where they met, but because CCOM prepared them so well for their careers.

They believe their decision to include Midwestern University in their estate plans and become members of the Heritage Circle will help preserve and build a strong future for CCOM.

"We both feel a deep sense of gratitude to CCOM," Dr. Tarr explained.

"This education gave us the basis, the stepping stones and the foundation for our lives and careers," Dr. McDonald said. "We think supporting our alma mater helps continue the legacy of excellent physician training and the growth of our profession."

Marriage is not the only kind of family ties that Dr. Tarr and Dr. McDonald experienced during their years at CCOM. Other family members played important roles. Growing up in South Bend, Indiana, Dr. Tarr's childhood mentor was his uncle, Chester Buziak, D.O., an anesthesiologist at CCOM, who guided him toward the practice of osteopathic medicine. Attending CCOM turned out to be the best possible decision for him.

"There was a tremendous amount of support from friends and roommates, and the quality of instructors and physicians was phenomenal," Dr. Tarr said. "My education at the Chicago College of Osteopathic Medicine was—and is—highly regarded by others in the profession. I feel that it opened all kinds of doors for me."

Dr. McDonald, a Michigan native, added, "It's a blur to think back to that time. I agree that a CCOM education was the best experience there was. It was a crazy, heady time—intense classes and great bonding with others in the same boat."

So, did their love grow over the anatomy table? "Not exactly," Dr. McDonald said with a smile. "Ken likes

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Dr. Joyce McDonald and Dr. Kenneth Tarr

CCOM 1983

"We both feel a deep sense of gratitude to our alma mater."

To learn more, please visit our gift planning website:
midwestern.givingplan.net

Charitable Remainder Trusts: A Trust for All Seasons

For many, financial security during retirement has become a growing concern. Saving extra for yourself and providing for others are top priorities, and may seem to compete with your desire to continue supporting your charitable interests.

Did you know there are ways to preserve, perhaps even enhance, the financial security of you and your loved ones while making a gift to Midwestern University? A growing number of people have taken advantage of one such popular gift plan known as a **charitable remainder trust (CRT)**.

With a CRT, you will receive a stream of income that will either be a fixed amount or that will vary with asset values over time. You may choose which type of CRT is better for you and your financial goals. Additional benefits include:

- Increased returns from low-yielding assets.
- A reduction or elimination of income, capital gain, estate and/or gift taxes.
- The ability to diversify investments and the potential for tax-free growth of assets over time.
- The creation of a source of income for yourself, your spouse or significant other, your children or other loved ones.

We are available to assist you and your advisors as you consider the charitable aspects of your financial plans. ■

How a Remainder Trust Works

Under the terms of a charitable remainder trust, you transfer assets to a trust that is managed by a trustee you choose for your benefit or that of another beneficiary.

A charitable income tax deduction is allowed when the trust is created. And, since the trust is tax-exempt, no capital gains tax will be payable on the sale of the assets when they are placed in the trust.

Therefore the full value of the assets is available to provide an income stream, often in the 5 to 10% percent range, depending on the terms of the trust. The assets in such a trust are also removed from your taxable and probate estate. ■

Is It Possible to Give and Receive?

One of the most popular life income plans is the charitable remainder trust. With this type of planning vehicle, a donor irrevocably transfers assets to a trust. This trust is managed by a trustee for the benefit of the donor or some other beneficiary the donor names.

When the trust is established, the donor decides:

- **How long the trust will last.** The trust may continue for the life of one or more people, or for a specified period up to 20 years.
- **What kind of payments will be made.** The donor may structure the trust to pay a fixed amount that never varies, or payments that can vary depending on the trust's value.
- **Who the charitable recipient will be.** At the termination of the trust, the assets remaining in the trust become a charitable gift to Midwestern University.

EXAMINING A SPECIFIC CASE

Many people find the charitable remainder trust an excellent way to make a gift to Midwestern University and provide assets for the educational expenses of children or grandchildren.

Let's look at a hypothetical situation. Susan and John Hudson, 47 and 50, both Midwestern alumni, have a child they want to assist with educational expenses. They would like to provide $10,000 per year to the child for six years. They would also like to make a gift to Midwestern University.

Through the use of a charitable remainder trust, the Hudsons reach both goals:

- They fund the trust with $75,000 worth of appreciated stock they have owned for several years.
- The trust will make fixed payments of $10,000 per year to the child for six years.
- If the trust earns a total return of 7 percent and pays the remainder of the educational expenses from principal, approximately $41,000 will remain in the trust at the end of the six-year period to fund the Hudsons' charitable gift to Midwestern University.

The Hudsons will also be entitled to a charitable income tax deduction of approximately $25,000 in the year they create the trust. ■

For Midwestern students, patient-focused care remains at the core of their education.

...COMPANY YOU KEEP

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to say that my mother was the reason we started dating."

She explained that her mother was being treated by Dr. Robert Kappler, D.O., retired Chair and Professor of Osteopathic Manipulative Medicine. "Ken was on that rotation. He claimed he took it to meet me. My mother looked at me and said, 'You're right, he is cute.'"

They had their first date that week. As they relate the story of how they went from being classmates to becoming husband and wife, there is occasional humorous debate about who said or did what, and when. But like so many great stories in life, the rest is history. Dr. Tarr decided to pursue a career in radiology while Dr. McDonald chose family medicine. They were married the week after graduation from CCOM and have been going strong ever since.

Dr. McDonald sums it up. "We feel that we had a double blessing from CCOM—our education and our love." ■

Heritage circle members

Keith C. Anderson D.O. '87
Howard B. Babcock, D.O. '76 and Mrs. Susan Babcock
John A. Bamberl, D.O. and Mrs. Kathy A. Bamberl
Michael J. Blend, Ph.D., D.O. and Mrs. Lesly C. Blend
Kenneth W. Blumenthal, D.O. '78
Stuart L. Bloom, D.O. '66
Susan Brassfield
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Julie Cardinale, SPHR
Gerard A. Catapano, D.O. '59 and Carole J. Catapano, R.N.
Mrs. Leonard Dunworth
Mark E. Efrusy, D.O. '70
Richard D. Evans, D.O. '77
Herbert O. Feldman, D.O. '56
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Pamela A. Georgeson, D.O., FAAAAI '83
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Gloria Krejsa
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Stephen P. Mihalich, D.O. '51
Karen Nichols, D.O., M.A., MACOI, CS and Mr. James Nichols
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Paul J. Pierron, D.O. '81
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Mary R. Suchyta, D.O. '82
Michael J. Sutton, D.O. '78
Kenneth P. Tarr, D.O. '83
Chris G. Theodoran, D.O. '82
Katherine M. Thomas, D.O. '77
James A. Tita, D.O. '80
Stanley Weiss, D.O. '52
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Lewin Wyatt Jr., D.O. '78
Vladimir Yevseyenkov, O.D., Ph.D.
James W. Young, D.O. '82
Stephen P. Young, D.O. '75
Phillip C. Zinni III, D.O. '88

Six Tax Benefits of Giving Appreciated Securities

When you give securities or other property that has increased in value and you have owned longer than one year, you can often make your gift at a much lower cost than an equivalent gift of cash.

Here are six benefits of giving appreciated property:

1. Gifts of qualified property are generally deductible at fair market value, regardless of cost.
2. Income tax savings can amount to 35 percent of the value of the property.
3. Capital gains tax that would otherwise be due if property were sold can be bypassed if property is donated.
4. Gifts of appreciated property can serve to offset tax on up to 30 percent of your adjusted gross income.
5. Unused deductions can help reduce taxes in up to five future tax years.
6. Special rules apply for gifts of business inventories, artwork and certain other properties.

If you want to make a charitable gift of stock but think its value may increase in coming years, consider giving the stock and "replacing" it by repurchasing shares in the same company with the cash you would normally use to fund a gift.

You will then own the same security with a new, higher cost basis. If you sell the stock later, less tax will be due because you have given away earlier increases. If the stock declines in value in the future, you may then be able to benefit from a deductible loss. ■

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