



Lutheran Social Services of Illinois

W I N T E R 2 0 0 9

Celebrating the spirit of generosity and ensuring the future
of Lutheran Social Services of Illinois.

The Cornerstone



Dear Cornerstone Society Members and Friends,

The beginning of a new year brings hope that this year will be better, and that our families and loved ones will be safe, will have enough food and will receive help when they need it.

As we begin the new year, we also look at our extended family — those we serve who are in distress and need care and attention. Last year, this extended family included nearly 73,000 individuals in the state.

We are so very grateful for the unwavering support of our Cornerstone Society members and for your careful stewardship and sharing of gifts that have blessed your lives. This issue highlights how giving from her heart moved one of our Cornerstone Society members to make a life insurance gift to help perpetuate our work.

You will also find an article about estate planning in uncertain times. Tax laws can impact a thoughtful estate plan in unexpected ways. I recently was reviewing my own estate plan, not so much in light of tax law changes, but with the acknowledgement that, with the passage of time, things evolve. At the time I first worked on my will, my family was young, and my primary goal was to take care of my children. Now, 20 years later, I have a different perspective. I still want to look after my family, but I also want to leave a gift for the charities near and dear to me.

Sometimes there's a rare occurrence when Congress enacts a tax law change that gives something to taxpayers, as opposed to taking something away, so I've included an article on an opportunity to make gifts from Individual Retirement Accounts.

Thank you again for being our partner in the important work we do to bring healing, justice and wholeness to people and communities. We couldn't do it without you.

Susan Gilpin
Executive Director, The Cornerstone Foundation

CORNERSTONE FOUNDATION
GOAL STATEMENT: Responding to the Gospel, The Cornerstone Foundation is the endowment that helps ensure the ministries and future of LSSI.

Susan Gilpin, Executive Director,
The Cornerstone Foundation,
Director of Planned Giving and
Managing Editor, The Cornerstone
Susan.Gilpin@LSSI.org
847.390.1464

The Cornerstone Foundation
1001 E. Touhy Avenue, Suite 50
Des Plaines, Illinois 60018
847.635.4600
www.LSSI.org

Guidelines for Making IRA Gifts

- Donors must be 70½ years old or older and own a traditional or Roth IRA. Other retirement plans — such as pensions, 401(k) plans and others — are not eligible.
- Only the IRA trustee can transfer gift amounts to a qualified organization. If IRA owners withdraw funds and then contribute them to charity separately, amounts withdrawn will be included in the donor's gross income.
- No charitable deductions are allowed, but gift amounts will not be included in the donors' incomes.
- IRA gifts may not exceed \$100,000 and must be made before 2010. If a husband and wife each have an IRA, together they can give up to \$200,000. The "ceilings" on contribution deductions (50 percent of adjusted gross income for cash and 30 percent of AGI for capital gain assets), do not apply to IRA gifts.
- IRA gifts cannot be made to charitable remainder trusts or other "life income gift" arrangements.

Congress Renews Law Permitting IRA Gifts by People More Than 70 1/2 Years Old

Congress has extended through the end of 2009 the law permitting persons age 70½ years old and older to have their IRA custodians issue gift checks to qualified organizations, such as Lutheran Social Services of Illinois (LSSI). These gifts may be as large as \$100,000.

The renewed IRA charitable giving opportunity comes at a vital juncture for LSSI. During these challenging economic times, we have heard from many friends who know that our agency needs their help to serve people, now more than ever. Several have noted, however, that their best resource for giving — an IRA — became "off limits" at the end of 2007.

Happily, Congress now has made IRA gifts available once again.

Why are IRA gifts so attractive? Here is one example. Robert was required to take a minimum distribution of \$20,000 in 2008 from his rollover IRA, all taxable at 33 percent. Instead, he told his IRA custodian to distribute \$20,000 to assist LSSI programs. As a result, he avoided having to take the \$20,000 required minimum distribution for 2008, which reduced taxable income on his federal tax return.

To make a 2009 gift, simply contact your IRA trustee or custodian and notify our office of your plans, so we may ensure proper transfer and receipting of your gift. We have a sample letter that you can use to make this gift. Please don't hesitate to contact us, if you need some assistance.

We have heard from many friends who know that their help is needed more than ever during these challenging economic times.

Giving from the Heart



When Geneseo resident Kathy Nelson was a child in the 1950s, she rode the school bus with children who lived at the Children's Home, an orphanage. Lutheran Social Services of Illinois (LSSI) had its

beginnings in 1867 at the Children's Home. LSSI responded to the needs of children who had lost their parents to cholera by providing a safe, caring home. The memory of those children who didn't have parents made an impression on Kathy, since she was blessed with loving parents.

For more than 20 years, Kathy Nelson has been an ardent advocate and friend of LSSI and its ministry. She has spoken with passion — from the heart. In fact, her own mother was so moved by hearing Kathy talk that she decided to make a planned gift to LSSI by using a charitable gift annuity. This gave Kathy's mother income during

her lifetime and then, at her passing, gave a gift to LSSI. It also gave her mother the pleasure of knowing that when she passed her gift to LSSI, it would make a difference in the lives of others.

Kathy has seen that the work of LSSI makes a difference. She recognized that God abundantly blessed her and so she looked for a way to show how grateful she was for these many blessings. After consulting with her financial advisor, Kathy decided that making a gift through a life insurance policy made the most sense for her. She gifted the policy to LSSI and now makes an annual gift to cover the cost of the premium. While the annual gift is tax deductible, it also gives Kathy the satisfaction of renewing her commitment to the future of LSSI.

It is through the foresight of our many friends like Kathy that we have been able to continue the ministry that began 141 years ago at the orphanage in Andover. As you consider stewardship of the treasures you have been entrusted with and how to share these with others, we hope that, like Kathy and her mother, you will be moved to include LSSI in your future plans.

On October 31, 1867, a boy named Edward came to the Children's Home at Andover, the first Lutheran charitable institution in Illinois and the forerunner of Lutheran Social Services of Illinois (LSSI). The program's first residents were children like Edward, orphaned by a cholera epidemic. The Children's Home at Andover was a safe haven for dependent, neglected and abused children until 1970. LSSI continues its ministry of caring for children in need through a variety of programs, including foster care and adoption services.



Estate Planning in Uncertain Economic Times

The recent downturn in the stock market makes it important for you to review plans for how your estate will be distributed. Take a look at your will or revocable living trust to see if changes in stock values could result in some of your beneficiaries being squeezed out of their appropriate share.

Take the case of Maureen, a widow, who plans to divide her estate equally between her two children. Her 10-year-old will leaves a house and certificates of deposit,



representing about one-half of her net worth, to her son Charles and the remaining half — all in stocks and bonds — to her daughter Sandra.

The risk is that Sandra may receive much less than her mother intended if stock prices don't rebound. One way to avoid this possibility is to bequeath each child percentage shares of all the assets in the estate, so that declines (or increases) in the value

continued on next page

Helping Adults with Addictions

Through its work with adults with addiction problems, Lutheran Social Services of Illinois (LSSI) strengthens not only the individual receiving treatment and his or her family, but also the community in which that person lives.

Offerings range from detox services in a non-medical environment to outpatient services — including DUI education — to residential treatment and aftercare. Primarily, these services are offered in the Chicago metropolitan area, as well as sites in northern Illinois. Substance abuse treatment is just one of the many programs that receives funding from The Cornerstone Foundation and has made a significant impact on the lives of the people we serve.



Estate Planning *continued*

of particular estate assets are shared equally.

Let's revise the previous example and suppose that Maureen leaves a \$500,000 retirement account to her son and a \$500,000 life insurance policy to her daughter. It seems like a fair distribution, but the tax collector might create a different result. Under federal law, the child receiving the retirement plan benefits will owe income tax on the value of his inheritance. Maureen's daughter, however, will lose nothing to income taxes when she receives the life insurance proceeds. Again, dividing these assets equally between the children would avoid an unfair result.

Should Maureen be concerned about federal estate taxes? For 2009, only estates larger than \$3.5 million will be taxed at death, and Maureen figures she won't be affected. On the other hand, it makes sense to total up all of your assets every year to see where you stand. Check with your advisers to determine if your estate plan takes taxes and other state and federal laws into account. Also, be aware that more tax law changes are expected in 2009 that may affect your future plans.

If your estate is at risk for paying federal estate tax, remember that bequests to LSSI come to us free of all "death taxes." Please let us know if you have included LSSI in your estate plan, or would like information on planning such a bequest.

CORNERSTONE LUNCHEONS

Friendship, Fellowship & Stewardship

Lutheran Social Services of Illinois (LSSI) had three wonderful luncheons in Champaign, Itasca and Carbondale last year to celebrate the generosity of our friends and give stewardship reports on the services we are providing throughout Illinois. Thank you to the more than 140 friends who joined us in 2008 to lift up our ministry and learn more about how we are making an impact in the lives of others.

In September, we had 25 friends join us in Carbondale to hear firsthand about the terrible blight that methamphetamine has brought upon children and families, particularly in southern Illinois. While this is a statewide problem, we learned how the services that these families need is being provided by our dedicated social workers serving this region.



(From left) Cornerstone Society members Trish Welch, Harvey Welch and Lynn Smith, and LSSI staff members Kay Rothschild and Susan Gilpin attended the Carbondale luncheon.

We are planning two luncheons in 2009 — one for May, which will be in the Chicago area, and a second in September, which will be in the Sterling area. Once the time and dates are finalized, information will be posted on www.LSSI.org, and invitations will be sent out.



Lutheran Social Services of Illinois
 1001 E. Touhy Avenue, Suite 50
 Des Plaines, Illinois 60018

Nonprofit Organization
 U.S. Postage
 PAID
 Chicago, Illinois
 Permit No. 7162

UPCOMING CORNERSTONE SOCIETY Events

We hope that you'll join us for one of our upcoming luncheons to thank our Cornerstone Society members and lift up our ministry.

May 20, 2009

Chicago area. Location to be announced.

September 2009

Sterling area. Location and date to be announced.

To learn more about
 Lutheran Social Services of Illinois, visit
www.LSSI.org

Updates to Cornerstone Member Directory

We acknowledge and welcome the following new members of The Cornerstone Society who have included a gift to Lutheran Social Services of Illinois in their estate plans:

Mr. Raymond Erbes, La Grange Park
 Mr. Curtis Hayes, Marion
 Ms. Laura Siterly, Chicago
 Mr. & Mrs. John Webster, Lake Bluff

We also acknowledge, with gratitude, the following memorial gifts:

Estate of Doris Brodd, Andover
 Estate of Pastor Robert Furreboe, Arlington Heights
 Estate of Dorothy Habegger, Wheaton
 Estate of Jesse Harmon, Peoria
 Estate of Violet McWethy, Dixon
 Estate of Marcus Sternberg, Steelville