



S U M M E R 2 0 1 0

The Cornerstone



Dear Cornerstone Society Members and Friends,

We all hope and pray that our economy will soon improve, but in the meantime, the needs of our families, friends and neighbors continue. Last year Lutheran Social Services of Illinois (LSSI) served 73,803 people because that is what we are called to do — serve — bringing healing, justice and wholeness to people and communities. We are able to provide care because you have done what you feel is the right thing to do — share. Thank you again for recognizing there are many in need and then responding with kind and generous gifts.

In this issue, I am sharing the story of a gift from an unexpected source — the estate of a woman who worked as a housekeeper and lived modestly. This story and a companion piece point out the importance of sharing information with your family about how you wish to divide your earthly treasures after you are gone. I worked for many years for a well-respected trust company handling estates and trusts, and I can tell you that I saw many families in turmoil, not only from grief, but because of the surprises contained in wills and trusts. The article has some ideas on what you will want to discuss with your children.

Even while we find ourselves basking in the warmth of summer, I've included an article that provides some ideas on year-end tax planning. I hope you'll be able to take away one or two good ideas that will help you make tax-wise decisions now that may save you money later.

Cornerstone Society members are not just friends of Lutheran Social Services of Illinois, but partners in our ministry. It is with great joy that we continue to celebrate this enduring relationship.

Blessings and heart-felt thanks,
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.

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

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DONOR PROFILE: Bessie's Story

Bessie was a 95-year-old woman who had a long, challenging life. We don't have much information about her life, as she died more than 15 years ago. We have learned that Bessie worked as a housekeeper at a hotel. In her last years, she was in a wheelchair and lived in fear of being robbed. At the age of 92, she shot and killed an intruder in self-defense. By all accounts, she was so shaken by this event that she moved out of her home shortly thereafter.

Last year, Lutheran Social Services of Illinois received a letter from an attorney handling the distribution of a gift from Bessie's estate to our agency. It turns out that long ago, Bessie's family had leased some property in Mississippi to some oil and gas companies and that these companies had been sending royalty checks to Bessie after she had died. The Illinois Treasurer's Office had

been holding these amounts as unclaimed property; then someone in her family found her name on the Cash Dash list.

Once the unclaimed funds were collected, the attorney and family members looked to the past to see how Bessie would have wanted this windfall used. Although she had been married and outlived her husbands, she had never been blessed with children. It was well-known to Bessie's family members that she had a special place in her heart for charities that help children, and so a generous gift came to LSSI. LSSI received an extraordinary gift from Bessie's estate of more than \$50,000!

We didn't know Bessie during her life, but we certainly celebrate her memory by using this gift to serve children. We think she would be well pleased to know that her legacy includes this final gift that will benefit many children. ■



Bessie's gift goes to help LSSI programs that serve children.

Having “The Talk” about Your Estate Plan

Father-son and mother-daughter talks take on new meaning when it comes to estate planning. Indeed, some parents may find it harder to talk to adult children about estate matters than it was to discuss the birds and the bees. Nonetheless, it's a good idea for you to speak to children individually or as a group about estate plans you have made or intend to make.

As you prepare for this conversation, some or all of the following items should be on the agenda:

- Do you have a will and/or a living trust? Where is it located? Who is the executor or trustee? Who was the attorney who drafted the documents? What other advisers are involved?
- Do you have particular funeral preferences? Your child should know of any special requests concerning funeral services, burial, cremation, etc., and if any of these expenses have been pre-paid.
- Have you signed a living will or health care power of attorney that expresses your feelings about life-prolonging care? Where are those documents located?
- Where do you bank? Where are your safety deposit boxes located?
- Talk with your children about the provisions in your will or trust, particularly if you are leaving more to one child than the others. This “favoritism” may be due to health problems, financial setbacks or to “even out” assistance

giving to others during your lifetime. Whatever the reasons, discuss the plans with your children. Don't surprise them when the will is probated and leave them with the nagging



question: “Why?”

This is also true of legacy gifts that are being made to Lutheran Social Services of Illinois or another charity. Let your family know why this gift is important to you.

- A letter of instruction

may prevent disputes over who should receive certain assets of sentimental value. Unlike a will or living trust, a letter of instruction is not a legal document, but it will express your wishes regarding items of personal property and can be updated without the formal requirements of a will. If it's important for one child to have a particular item, consider giving it to him or her now. A gift also removes the value of the asset from your gross estate.

The goal of these discussions is to ensure that your estate plan works the way you intend. Most children will appreciate your candor and honesty in disclosing these arrangements in advance. You, in turn, will likely feel a sense of relief in knowing that your estate plan won't come as a total surprise to your loved ones after you are gone and can no longer tell them what was in your head and on your heart when you made these final plans. ■

Year-End Tax Planning – Time Already?

Just because it's called year-end income tax planning, doesn't mean you should wait until November or December to think about ways to save on your 2010 taxes. In fact, the earlier you start, the more tax dollars you'll save.

Here are a few ideas to consider now:



1 **Contribute to retirement plans.** You can make a 2010 IRA contribution anytime before April 15, 2011. But the earlier you contribute, the longer your money grows tax-deferred. The maximum contribution for 2010 is \$5,000, with a \$1,000 catch-up contribution for those age 50 and older. If you participate in a 401(k) plan at work, you can contribute up to \$16,500, with an additional \$5,500 catch-up.

2 **Ask your adviser about a Roth IRA conversion.** With the income limits removed, anyone is able to convert a traditional IRA to a Roth IRA. All qualified withdrawals from the Roth in future years are tax free, and you avoid required minimum distributions that apply after age 70 on traditional IRAs. You will owe income tax on the switch, but for 2010 conversions, you can spread the tax, paying half in 2011 and half in 2012. If you think you'll be in a higher tax bracket next year, you can choose to pay the tax in 2010. The income tax deduction available for a gift to Lutheran Social Services of Illinois can reduce the tax.

3 **Review your investments.** The market has been on a roller coaster for much of 2010. Examine your investment mix to determine if it still reflects your investment goals and risk tolerance. You might want to sell, in order to lock in gains at a low 15% tax rate, and perhaps buy the same stock back with a higher basis. Or

you might sell stock that has declined in value in order to generate a capital loss deduction that will offset capital gains and other income.

4 **Consider tax-free investments.** A municipal bond earning 2.5% interest is equivalent to a taxable investment earning 3.47% for a taxpayer in the 28% bracket. The earlier in the year you switch to tax-free investments, the more you'll save in taxes. This could be especially important if, as expected, income tax rates increase next year.

5 **Consider a charitable gift annuity with Lutheran Social Services of Illinois that pays you income.** You will receive an income tax deduction for 2010 and receive regular payments for the rest of your life and will ultimately create a legacy gift to support LSSI's ministry in the future.

To learn more about how an early year-end gift can help your tax picture, please call Susan Gilpin at 847/390-1464 for additional ideas that might be right for you. ■



CORNERSTONE LUNCHEONS Celebrating Technology Serving Families

We often celebrate the triumph of the human spirit over trials and tribulations, so it was a bit out of the ordinary that we celebrated technology at our Cornerstone Luncheon on May 19.

The occasion was to present the first award from the Frederick Aigner Innovation Fund to the Mobile Caseworkers Project. Our caseworkers handle the challenges of those they serve with skill and compassion, but they also log an amazing number of miles to do so. The project's goal was to allow caseworkers to immediately access the Internet to record important case notes, retrieve valuable information and identify resources for families.

A secondary benefit was that caseworkers could work on their laptops without having to return to their offices. This resulted in saving expenses and gasoline, not to mention wear and tear on our dedicated staff.

The more than 70 friends who attended the luncheon heard first-hand from two caseworkers about how they have used this technology to expedite help and respond to the needs of the children and their families. The Rev. Frederick Aigner, Ph.D., former president of LSSI presented the award that he helped to create. The Aigner Innovation Award was shared by our Children's Community Services group and our Information Services department.

Lifebooks Making an Impact with Foster Children

Lutheran Social Services of Illinois is well on its way to achieving an important goal: delivering Lifebooks to 100 percent of the foster children in its care by January 2011. Currently, almost half of the agency's approximately 1,890 foster children now have Lifebooks.

"The benefits of Lifebook work with children in foster care are undeniable," says Monica Johnson, Lifebook Program coordinator, Rock Island. She notes that "Wonderful, meaningful work is occurring for many of our children as they begin Lifebooks," allowing children to express their feelings and resulting in the stabilization of behavior and the initiation of needed services.

Lifebooks contain vital information of a foster child's life. Organized as blank book with writing prompts and spaces for pictures and messages, a Lifebook allows foster parents, therapists, social workers, birth and adoptive parents, and the children to record information about the child's life. Children are encouraged to write about current interests and their feelings. ■



Monica Johnson with children from the Burrell family, working on their Lifebooks.



Lutheran Social Services of Illinois

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Updates to Cornerstone Membership Directory

All Cornerstone Society members should have received the most recent Membership Directory in June. However, we want to acknowledge and welcome the following members who have joined the Cornerstone Society since the Directory was printed:

Dr. Steven Bahis, Rock Island
The Reverend Richard & Barbara Hanson,
Peoria

Mrs. Patricia Killcullen, Des Plaines

The Reverend Arnold Pierson, Chicago

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

Estate of Stanton & Dagny Olson, Belvidere
Estate of Warren Thyer, Chicago

UPCOMING CORNERSTONE SOCIETY



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

September 15, 2010
Bloomington, IL

Spring 2011

(date and location to be announced)

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

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