

The Labouré Society Planned Giving Program

Meet Fran and Arthur

Fran and Arthur Gomes of California are passionate about the Labouré program and its proven success in delivering more priests and religious to the Catholic Church. Fran and Arthur were interested in leaving a legacy that would continue to build up the Church with priests, sisters, and brothers in abundant numbers to serve the spiritual needs of countless lives well into the future. Fran and Arthur have left that priceless legacy by having named Labouré as the beneficiary in their two life insurance policies.



Fran and Arthur with Labouré alumni, Laryn Kovalik and Marvin Abella

Here is what they said:

"I am sure you are like most of us in planning for our future, be it for retirement, travel, or college education for our children. We have forgotten one very important investment that we, as Catholic men and women, should consider. There is a very easy way to guarantee that our Roman Catholic Church will have sufficient shepherds to be there for our children, grandchildren, and generations into the future. That guarantee comes from funding the Labouré program which continues its mission of teaching discerning men and women how to eliminate their student loan debt so that they may enter religious formation to become our future Catholic priests, sisters, and brothers.

"Arthur and I decided to name the Labouré Society as a beneficiary in our two life insurance policies. By doing so we will leave a legacy of a Church continually filled with men and women who said "yes" to our Lord's call to serve His Church but who needed Labouré's help to enter formation. Arthur and I wanted to ensure that Labouré's program will continue its critical mission well into the future. Please join Arthur and me by making a planned gift to Labouré. Your decision to do so will leave a legacy of shepherds who will serve the spiritual and sacramental needs of our/your children and grandchildren. Arthur and I can not think of a more important legacy. We are thrilled with our decision to establish a planned gift for Labouré and we hope you will join us in this eternally rewarding decision."

About Labouré

The Labouré Society is a 501(c)(3) Catholic nonprofit organization that teaches our future Catholic priests, sisters, and brothers how to resolve their outstanding student loans so that they are able to enter religious formation. The Labouré mission is to train, coach, and oversee discerning men and women ("aspirants") to share their faith and raise funds for Catholic religious vocations with Labouré, which awards grants to mitigate education loans for program participants.

Acting in communion with the Catholic Church, Labouré provides a performance-based volunteer program that is the only program of its kind in addressing the impediment of education loan debt for aspirants answering the call to priesthood or religious life as sisters or brothers.

Labouré is a team of Catholic business professionals working to increase vocations to the Catholic Church. The unique charter of Labouré requires the transparent use of commercial quality business practices, management, and leadership that befit a high performing public company for training coaching, and supervising financial management; this best effort produces world class results as applied to Labouré, a nonprofit business.

Labouré has grown significantly in recent years as it expands its reach to the thousands of future priests, sisters, and brothers who need Labouré's help to resolve their loans and deliver them into formation. Given current projections about the increase in student loan debt in the United States the problem of education loans impeding Catholic vocations is one that will not be going away any time soon. The problem is serious, the problem is urgent, and the problem cries out for a solution. Labouré is that solution, and we are positioned to be that solution for years to come.

In order to continue its mission, Labouré needs financial backing from its generous donors and from foundations. Labouré is committed to financial sustainability for the life of its mission. Without the generosity of its donors The Labouré Society could not survive.

Planned gifts help ensure that Labouré can continue its mission of delivering more priests and religious to the Catholic Church

There are many ways you can leave a legacy to sustain Labouré's mission, while at the same time providing yourself and your family (or other beneficiaries) with significant tax benefits. In addition to tax deductible cash gifts, there are other creative ways to give, including:

- Gifts of stock or other assets
- A beneficiary designation on a life insurance policy, 401(k) plan or IRA
- A bequest in your will
- Life income gifts

Planned gifts can offer many advantages to help you to meet your overall financial goals, and help Labouré in its long term financial planning. Planned gifts can also provide special opportunities that enable Labouré to strengthen and improve its mission to build up the Catholic Church.

Please be advised that the information provided in this Labouré Planned Giving Program Guide is not intended as tax or legal advice, but as accurate general information on planned giving. For legal advice, please consult with your attorney or tax advisor or contact Labouré and we can find financial consultant partners who can answer your questions.

Gifts of stock and real estate

Gifts of stock, mutual funds or real estate offer an easy and tax-efficient way to make a lasting contribution to Labouré. Your gift will help to sustain the mission of Labouré while avoiding capital gain tax and reducing federal income tax.

In general, when a person sells an appreciated asset, he or she must recognize capital gain on the sale of such property. For example: let's say you purchased \$4000 worth of ABC stock, which is now worth \$10,000. If you sold the stock, you would generally be required to pay taxes on the increased value of the stock. If instead you gift the ABC stock to Labouré you will avoid the tax on the increased value of the stock, and also be able to take a charitable deduction of \$10,000 on your federal income tax return, saving the money you would have been required to pay in taxes on the \$6000 increase in the value of the stock. You would also save in state taxes as well. Essentially you would be making a \$10,000 gift to Labouré – one that would "cost" you roughly \$4000 to do.

To ensure that you are entitled to receive the most beneficial tax treatment, please contact us or a tax advisor before you sell your stock or real estate.

Charitable bequests provided in your will

One of the simplest ways to provide an enduring gift in support of Labouré is through your will or Revocable Living Trust. By including Labouré in your estate plans, you can specify that some or all of your assets come to Labouré after your lifetime. At that time, the asset(s) you specify will pass to us, and your estate can take a charitable deduction for the amount of your bequest, thereby reducing the estate tax payable.

Types of requests and sample wording

There are several types of bequests that allow you to designate how your estate will be distributed:

Specific Requests

A specific bequest is a provision in your will that allows you to leave a specific amount or specific asset to Labouré, such as an outright gift of cash, stock, or other property. An example of a provision that could be included in your will would be: "I bequeath to Labouré the sum of \$_____ (or _____% of my estate; or the property described herein) for Labouré's general purposes."

Residuary Bequest

A residuary bequest is honored after all other bequests have been made, and all debts, expenses and taxes have been paid. For example, you could provide that certain family members receive a certain portion of your estate, and that debts, expenses and taxes must be paid, and you could also provide that: I give all the rest, residue and remainder of my estate to Labouré for its general purposes.

Contingent Bequest

A contingent bequest is made only if certain conditions are met. For instance, if your primary beneficiary does not survive you, you can indicate your next choice through a contingent designation. An example of such a provision would be: "I give all the rest, residue and remainder of my real and personal estate to my husband, Robert, if he survives me; if he does not survive me then fifty percent (50%) of my estate shall be distributed to my children, then living, by representation and fifty percent (50%) to The Labouré Society for its general purposes."

Such bequests may be included in any new will or trust that you put in place. Your estate planner may also draft a codicil to your existing will or an amendment to your existing trust to provide for a charitable contribution.

How to name Labouré in your will or trust

If you choose to include The Labouré Society in your will or other estate plan, we should be named as:

The Labouré Society, a nonprofit corporation, organized and existing under the laws of the State of Minnesota, and with its principal place of business address of 1365 Corporate Center Curve, Suite 104, Eagan, MN 55121.

Labouré's tax identification number is 41-2001751.

Beneficiary designations

Labouré accepts gifts of life insurance as the beneficiary of your policy. We also may be named as the beneficiary (primary or contingent) on your retirement accounts. In addition to providing you with the tax advantages described below, beneficiary designations are a quick, hassle-free way to make a gift to Labouré.

Changing your beneficiaries is easy: you may simply contact your insurance carrier or employer/plan administrator and request a beneficiary form. As with bequests, you have the freedom and flexibility to change your mind and your beneficiaries at any time.

Designating Labouré as a beneficiary of an insurance policy

You can name Labouré as a primary beneficiary of your life insurance policy or as contingent beneficiary should your other beneficiaries not survive you. After your lifetime, the benefits from your policy would pass to Labouré free of federal estate tax. To establish this type of gift, you simply request a Change in Beneficiary Designation form from your insurance agent.

Designating Labouré as a beneficiary of your pension plan, 401(k), or IRA

By naming a charitable organization as beneficiary of your retirement plan, you may save your beneficiaries money in federal taxes on many levels. First, designating Labouré as the beneficiary will remove the value of the retirement assets from your gross taxable estate. Additionally, because contributions to your retirement plan were not likely subject to income taxes at the time of contribution, nor were taxes payable as they appreciated in value over the years, distributions that a beneficiary receives from a retirement plan will not be subject to federal income taxes upon receipt. However, since Labouré is a nonprofit and is exempt from taxes, it is not required to remit any portion of the distribution to the IRS.

For example, assume that Bob owns a 401(k) account that has a value of \$50,000 at the time of his death, and that he designated his niece Maria as beneficiary. If Bob's estate is taxable, Maria may only be entitled to as little as \$30,000 in distributions. Further, as Maria received distributions from the 401(k) plan, she would be required to pay income taxes on such distributions, and therefore would likely only receive a net benefit of \$20,000 depending on her income tax bracket. However, Labouré, as a charitable organization would receive benefit from the full \$50,000, as compared to only \$20,000. In addition Bob's estate would receive an estate tax charitable deduction for gifting the 401(k) to Labouré.

As to traditional retirement accounts, if you are a retiree, you typically need to pay income tax on withdrawals from those accounts. And once you turn 70.5 annual IRA withdrawals become mandatory. There is a 50% tax penalty if you miss a distribution. However, if you are in the fortunate position of not needing your IRA distributions to pay for living expenses, you can avoid income tax on the withdrawal if you donate it to charity.

If you are 70.5 or older and you directly transfer your IRA withdrawals of up to \$100,000 to a qualified charity like Labouré you will not owe income tax on the distribution. A charitable distribution from your IRA can be used to satisfy your minimum distribution requirement.

A nontaxable charitable distribution must be made directly from the trustee of the IRA to a charity like Labouré. If you withdraw the money yourself and then donate it to Labouré you will need to pay income tax on the distribution. Contributions from workplace retirement accounts like 401(k)s and 403(b)s are not eligible for this same tax break, but you could roll the money over to an IRA and then make a contribution directly to Labouré. As explained above, you must be at least age 70.5 at the time the distribution is made.

Life income gifts

A Life Income Gift is a highly effective way to contribute assets to Labouré, while allowing you to keep an income for yourself and others for the remainder of your life, their lives or a fixed term of years. To create a Life Income Gift, you make an irrevocable gift of cash, securities, or real estate to Labouré, and in return, receive an income (fixed or variable, depending on the option you choose). After your lifetime and/or the lifetime(s) of other designated beneficiaries, the remaining balance of your gift would be used to support Labouré. Your age, assets and income objectives will help you determine the best type of Life Income Gift. If you are interested in learning more about a Life Income Gift please contact us for details and we will be happy to have out estate planning consultant work with your tax advisor or attorney.