

LEGACY SOCIETY NEWS



HACKENSACK UNIVERSITY MEDICAL CENTER FOUNDATION WELCOMES 2005 LEGACY SOCIETY INDUCTEES AT 13TH ANNUAL RECEPTION

The Hackensack University Medical Center Foundation recently inducted members of its Legacy Society for 2005. This special society, established by the Foundation's Board of Trustees in 1992, honors individuals who have provided for the medical center in their estate plans by establishing charitable gift annuities, charitable trusts, bequest commitments, or outright gifts to the Foundation's endowment fund. To date, friends of the medical center have committed more than \$26.2 million in gifts and pledges toward the endowment.

This year's inductees into The Legacy Society included: Marie S. Garibaldi of Weehawken, Mr. and Mrs. John C. Kessler of Maywood, Mr. and Mrs. Anthony C. Taccetta of Tenafly, Mr. George E. Menditto of Hackensack, and Ms. Evelyn M. Rooney of New Milford, bringing the total membership to 87. Ms. Selda Seidel of Maywood was inducted into The Chairman's Circle of The Legacy Society, bringing its total membership to 17. Members of The



(Standing, from left): Robert L. Torre, vice president and chief operating officer of the Foundation; Evelyn M. Rooney, inductee into The Legacy Society and corresponding secretary of the HUMC Auxiliary; Frederick T. Muller, member, Legacy for Tomorrow Investment Subcommittee and the HUMC Foundation Board of Trustees; Dennis Porterfield, co-chairman of the Legacy for Tomorrow Campaign Committee, chairman of the Legacy for Tomorrow Investment Subcommittee, and member of the medical center's Board of Governors and Foundation's Board of Trustees; John P. Ferguson, president and chief executive officer of the medical center; Justice Marie L. Garibaldi, assistant secretary, Board of Governors and member of the HUMC Foundation Board of Trustees; and James R. Beattie, Esq., member of the Legacy for Tomorrow Investment Subcommittee, member of the medical center's Board of Governors, and treasurer of the Foundation's Board of Trustees

(Seated, from left): Selda Seidel, inductee into The Legacy Society Chairman's Circle and devoted HUMC volunteer; Charles J. Rothschild Jr., co-chair, Legacy for Tomorrow Campaign Committee and member of the Foundation's Board of Trustees; Marie S. Garibaldi, inductee into The Legacy Society; Elizabeth Kessler, inductee into The Legacy Society; and John C. Kessler, inductee into The Legacy Society

Chairman's Circle have given more than once to the endowment program.

Ms. Seidel is a devoted Hackensack University Medical Center volunteer and a current

member of The Legacy Society. "This is my second time being inducted, and I am glad that I can give back to the medical center," Ms. Seidel said.

This year's Legacy Society induction ceremony was held in the Banta Lobby, located in the George Link Jr. Pavilion at Hackensack University

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—John P. Ferguson, president and chief executive officer of the medical center

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Medical Center, with a reception following at the Stony Hill Inn.

“Every year I am overwhelmed by the generosity of the medical center’s donors. Their support for our vision of

the future is unparalleled, and I thank them all from the bottom of my heart,” said John P. Ferguson, president and chief executive officer of the medical center.

Evelyn M. Rooney has been volunteering at the

medical center for the past 11 years and is corresponding secretary of the Hackensack University Medical Center Auxiliary. “Hackensack University Medical Center gives so much to its patients, staff, and visitors every day that it is a privilege for me to give back to the medical center and contribute to its growth and development.”

“I never get tired of welcoming and thanking every donor whose generous contributions have enabled the medical center to grow and prosper,” said Robert L. Torre, vice president and chief operating officer of the medical center’s Foundation.

“Your support and commitment make a real difference in the lives of so many people who count on Hackensack University Medical Center for outstanding care.”

If you would like information on how to establish a charitable gift annuity or a charitable remainder trust or how to leave a bequest in your will, please contact the Hackensack University Medical Center Foundation office at 201-996-3720.

ADDING “LIFE” TO YOUR PLANNED GIVING

Add “life” to your philanthropic endeavors by giving life insurance policies to a charitable organization while you are living. Consider life insurance policies you no longer need or those with smaller amounts that are insignificant to you and your family.

Under current tax laws, your federal estate may be reduced by the full face amount of the policy proceeds, and you may receive an income tax deduction for the policy’s value (i.e., lower of the policy’s fair market value or your cost basis) and for any future premiums you continue to give if the policy is not paid up.

AN OUTRIGHT GIFT

Giving a life insurance policy requires you as the current policy owner to complete the insurance company’s document or form to assign the ownership and beneficiary designation to Hackensack University Medical Center

(HUMC). Once you have done so, the policy proceeds are no longer counted as part of your taxable estate.

NAMING US AS A BENEFICIARY

If making an outright gift of policy ownership does not appeal to you, consider naming HUMC as the primary or contingent beneficiary for either the entire proceeds or a portion. This option allows you to retain control of the policy because the ownership is not changed. You simply pay your premiums, and upon your death the full face value of your policy is contributed to us. Because the death benefits are not subject to income tax, all of the proceeds of your policy will be paid to our organization. In addition, your estate will receive a full charitable estate tax deduction for the donated death benefit.

Feel free to contact Betty Kraus, manager of planned giving, at 201-996-3720 with any questions you may have on giving the gift of a life insurance policy.

CHARITABLE BEQUESTS FROM RETIREMENT ACCOUNTS SIMPLICITY COMBINED WITH TAX ADVANTAGES

Retirement plan accounts—such as individual retirement accounts (IRAs), 401(k) plans, 403(b) plans, and profit sharing plans—will often be a better source of charitable bequests than a traditional charitable bequest in a will. And you will also be using the asset that produces the greatest income tax savings to your estate and your heirs.

Using your retirement account for charitable bequests is administratively simple. Retirement plan beneficiary forms are filled out on your terms and can be changed frequently without the formality of lawyers and witnesses.

Income tax laws provide an even greater incentive. By making a charitable bequest from your retirement plan account, you will be giving a tax-exempt charitable organization the assets that would have otherwise been taxable to your estate, family, or friends. Usually an inheritance does not trigger taxable income to either your estate or heirs. The general tax rule is that an inheritance is excluded from taxable income. In addition, most inherited assets—such as stock or real estate—receive the added tax benefit of a step-up in basis. Consequently, a person who sells an asset shortly after inheriting it will usually have very little taxable gain from the sale.

There are, however, a few inheritances whose receipt produces taxable income. These assets generate *income in respect of a decedent* (IRD). Usually the largest source of IRD will be an IRA, 401(k) plan or 403(b) plan. The receipt of an inherited retirement account distribution is not exempt from income tax, and there is no step-up in basis. Therefore, if a person is considering a charitable bequest, it is usually better to transfer the taxable assets to a charitable organization and transfer the nontaxable assets to heirs. The best method to accomplish this is to name the charitable organization as a beneficiary on the retirement plan forms.

Example: Dan would like his sister and Hackensack University Medical Center (HUMC) to each receive \$100,000 after his death. He owns \$100,000 of mutual funds with a cost basis of \$20,000, and he has \$100,000 in an IRA. He should transfer the \$100,000 of mutual funds to his sister and transfer the \$100,000 in the IRA to HUMC—which could apply the entire \$100,000 to charitable purposes. By comparison, if his sister had received the IRA distribution, she would have to pay a sizable amount of income taxes to the state and federal governments. By leaving his sister the mutual funds, his sister will not owe any income tax when she receives the inheritance, and she will have a stepped-up tax basis of

\$100,000 if she later sells the mutual funds.

If you have enough assets to be subject to estate tax (more than \$1.5 million in 2005), then your retirement account can be subject to income *and* estate taxes after you are gone. Whereas the highest estate tax rate is scheduled to fall to 45 percent in 2007, the combination of *federal* estate and income taxes on retirement accounts could be 65 percent. If you live in a state that has a state income tax or inheritance tax, then as much as 80 percent of these assets could be consumed in taxes! It is much better to apply 100 percent of these assets to a charitable purpose that is important to you.

IRA Accounts Versus Tax-Free Assets	Tax-Free Strategy Leave IRA to HUMC	Taxable Strategy Leave IRA To sister
Dan's total estate	\$200,000	\$200,000
Gift to sister	\$100,000 Mutual Funds	\$100,000 IRA
Gift to HUMC	\$100,000 IRA	\$100,000 Mutual Funds
IRD subject to income tax	\$0	\$100,000
Sister's taxes owed (35% federal marginal tax rate)	\$0	\$35,000
Net to sister after payment of income tax	\$100,000	\$65,000
Net to HUMC	\$100,000	\$100,000



THE LEGACY SOCIETY WELCOMES AS MEMBERS:

GIFT ANNUITIES AND REMAINDER TRUSTS

Loni Bader/In honor of
Richard Bader
Bella Hacker Endowment Fund
Joseph W. Bitsack, M.D.
Josephine Bors
D. Evelyn & Milton M. Braun
Gilbert Brownchweig
Vincent J. & Helen A. Cassel
Helen & Murry Cohen
Mr. & Mrs. Robert W. Collin
Carlos A. & Sylvia Consuegra
Dr. & Mrs. E. Earl Doyne
Lucille T. Fallon
Dr. & Mrs. Matthew Feldman

Marie L. Garibaldi
Marie S. Garibaldi
Frank L. Gehrig
Jerome Gelman, Esq.
Dr. & Mrs. Alfred Graf
Dr. Waldo & Joan Bressler
Greenspan & Jane Greenspan
Sims
Gloria Grenker
Peter O. Hanson
Ruth Higgins
Nancy C. Hooock
Deborah H. Imperatore
Edward A. Jesser

John C. & Elizabeth Kessler
Mr. & Mrs. Robert S. Krause
Anneliese Landerer
Ruth Malin/In memory of
Dr. Henry Malin
Mrs. Cathleen P. Marr
In memory of George & Antoinette
Menditto and my wife,
Marilea F. Menditto
Kathy & Ron Merlo
Bette A. O'Keefe
Mrs. Ledyard H. Pfund
Frank J. Poole Jr.
Evelyn M. Rooney

Charles J. Rothschild Jr.
Selda Sheer Seidel
In memory of Arthur Seidel
Helene Shomer
Julian & Jeanne Silverberg
Seldon & Frances Staniloff
Ruth W. & Alvin H. Subin
John J. Tucci
Olive M. Weimann
Larry & Jane Wertheim
Dr. & Mrs. Milton Wiener
Catherine G. Wright
William Zabransky 3rd

BEQUESTS AND BEQUEST COMMITMENTS

Grace Amoroso
Mr. & Mrs. George B. Arnold Jr.
Loni Bader/In honor of
Richard Bader
Ruth C. Banta
Manfred & Beryl Barth
John E. Baumann
Murray L. Beer
Grace G. Bepler
Robert L. Bergen, M.D.
Helena Besch
In memory of Sylvester Besch
and Joseph & Minna Besch
David Bobrow Sr.
David Bobrow Jr.
Marian K. Botting
Hazel Bugbee
Alice L. Burnett
Lewis Budd Calisch
Joseph J. Cincotta
Mr. & Mrs. Kevin J. Collins
Katie Conn
Margaret Contant
Bernard T. Curley
Mr. & Mrs. Andrew Czujko
John & Alphild Dahl
Donald L. Dickerson

Harvey S. Dietrich
Mae Dornstreich
Dr. & Mrs. E. Earl Doyne
T. Jean Dunn
Maria Falatieu
Jean R. & Peter A. Farrenkopf
Mr. & Mrs. John P. Ferguson
Mildred L. Feskens
Eleanor B. Forbes
In memory of Elizabeth
"Betty" Gehrig
Robert F. Gerrie
John P. Gillen
Mr. & Mrs. Matthew A. Golson
Nathan & Rachel Armour/
Martha Gordon
Myra S. Greenstone
Catherine R. Grose
Dorothy Baldwin Grossman
Philip Hablau
Linda C. Hagele
Mildred Harrie
Mabel Hylton
Mabelle Iler
Max U. Juestrich
Ruth A. Kennedy
Alfred W. Kiefer

Edward C. Knapp Jr.
Bob & Liz Koller
Agnes Kromka
Mr. & Mrs. A. Maxwell Kunis
Naida Lambert
Jack Levin
Grace I.E. Lewis
Carole Ann Liess
Roberta B. & Alexander W. Loukas
Natalie Lowenstein
In memory of Sanford Lowenstein
Leonard Marcus
Mr. & Mrs. John H. Marshall
Ann Luana Martinez
Florence L. Mauch
Helen L. Mauch
Clara Louise McNamara
Marjorie A. Mentis
Louise Meyer
Leon Morrison
Anna Muller
Mr. & Mrs. Frederick T. Muller
Helen V. Muller
Patricia Mullin
Luis James Ortiz
Edmund A. Pearce
Mrs. Ledyard H. Pfund

Dennis Porterfield
Dr. & Mrs. Gregory E. Rauscher
William Rennmann
Ms. Gertrude Richman
Madelyn & Anthony Scardino Jr.
Dr. Rudolph C. Schretzmann
Clifford F. Seddon
Selda Sheer Seidel
In memory of Arthur Seidel
Esther Shanahan
Dr. & Mrs. Jerald Siegel
Adolph Sipporta
Mildred C. Somerville
Violet P. Southwick
George Stoff
Leonard S. Suozzo
Mr. & Mrs. Anthony C. Taccetta
Lucille Tessler
Robert L. Torre
Etta Adelaine Waite
Christine Ward
Henry P. Wassung
Dolores E. Weber
Olive M. Weimann
Louis C. Zahn
Evelyn Young Zimmerman



Hackensack University Medical Center Foundation

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