



# PERSPECTIVES

A FINANCIAL & CHARITABLE PLANNING GUIDE FROM LANCASTER MENNONITE SCHOOL

## Your Gifts Transform Lives: The Beth Schnabel Story

Beth Schnabel came to LM in sixth grade because she was bullied at her previous school. Now flourishing as a senior at Lancaster Mennonite High School, Beth reflected upon her life-changing experience.

“When I came here, I was a wounded creature trying to detach myself from all heartbreak,” she said. “Over time, with the help of students and teachers I now consider to be my friends, I healed.”

Beth especially credits another student for bringing her out of her shell. “No matter how many times I tried to detach myself, she would include me and helped others to include me,” she said.

“One of the things that surprised me about this school was its sense of community,” Schnabel related. “I thought teachers were supposed to be boring and just teach, but they were interested in me and were willing to talk with me about tough issues.”

Beth’s faith was particularly affected by her LM experience. “My experience here was different in

the way teachers accommodate each individual student and the way they taught love and showed their faith,” she said. “Sometimes faith is presented as an unrealistic goal, but through the teachers’ examples of day-to-day living, and the way they talked about their faith, they showed me that faith is a moment-by-moment experience.”

Through her LM experience, Beth has been inspired to give back to the local and global community. “The future is unknown, but one thing I do know is that I want to make an impact, an impact like LM had on me.”

Now a senior, Beth is a member of the National Honor Society and sings in the Campus Chorale.

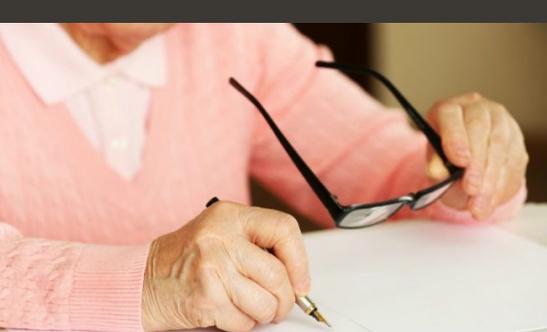
Financial aid, made possible by generous donors, has enabled LM to transform Beth’s life so she can change our world. “Without generous donations, I would never have been able to come to LM,” Beth said. “And if I never came here, I would never have these good friends and teachers. So, from the bottom of my heart, thank you!”



**“Teachers’ examples showed me that faith is a moment-by-moment experience that is real.”**

— Beth Schnabel '18

- **\$9,684** is high school tuition for 2018-19.
- **99** LM families earn \$31K or less.
- **119** LM students are in these families.
- **\$1,657** is the average disposable income for this group.
- **\$5,747** is the average student aid awarded to these families.



# Got 60 Minutes? Plan Your Estate

Have you put off creating your will because it seems too overwhelming? It may be easier and less time-consuming than you think. In just a one-hour meeting with an estate planning attorney—along with some preparation—you can be well on your way to having a legally sound will.

**First, contact an estate planning attorney. These legal specialists are experts in will planning. They understand how your decisions affect your estate and can guide you toward a path that will best meet your goals.**

## From Start to Finish

Here's how you and your attorney will progress from nothing to something in just one hour.

## What Are Your Goals?

In the beginning, expect to answer a lot of questions regarding your goals for your estate. For example: How do you want to provide for minor children? Do you want to give back to your community?

## Assets and Liabilities

Discussing your assets and liabilities, as well as how they

are titled, will help your attorney determine whether your current situation aligns with your estate goals.

## Additional Considerations

You'll discuss guardianship for minor children, an executor for your estate, medical considerations and other important issues.

## Next Steps

Assuming the meeting goes as planned, at this point your attorney should have a good feel for your estate and be ready to draft your will. Once a draft is complete and agreed upon, you'll meet again to execute the will.\*

\*More complex estates or living trusts may require additional meetings and documentation.

# Join the Iron Bridge Society

The Iron Bridge Society is a group of people passionate about leaving a legacy of Christian education for generations to come. These friends included LM in their planned giving and/or estate plan. Members are invited to select school events and receive estate planning and planned giving tips. **Join today by returning the enclosed card.**

# Finding the Right Estate Planning Attorney

Start by soliciting references from friends, relatives and co-workers. Talk to bankers, life insurance agents, accountants and financial planners. Your local bar association may have an online referral service. As you move forward, consider:

- Experience and references
- How fees are charged along with total cost estimate
- Professional accomplishments
- Percentage of work devoted to estate planning
- Alliances with professionals in related fields

## Make the Most of Your Time

- To maximize your meeting, be prepared to discuss the following:
- Background information (address, marital status, name of children, etc.)
- Assets and liabilities
- Guardians for minor children

- Executor for your estate
- Special considerations such as medical concerns or prenuptial agreements

## Already have a will and want to update it?

You can make small changes to your will by creating a codicil. A codicil is a secondary document attached to your original will, spelling out the change you want to make. Most states require that a codicil is prepared and signed according to the same rules that apply to wills. If your state requires that two witnesses watch you sign your will, you'll need two to watch you sign your codicil as well.

Easy things to change on a codicil include name changes, executor change and adding a charity like Lancaster Mennonite School to your estate plan.

See the option on the response form for a codicil template.



Attorney Ann Martin and husband, James Stutzman, with daughter, Emma, and son, Ben Stutzman '16. Ann is a member of the LM Board of Trustees.

**“For most of us, estate planning is not a once-and-done event. When your family, financial or health situation changes, or when tax or other laws change, you should review your plans. That trust you signed in 1980 may no longer serve its purpose, while that two-page Financial Power of Attorney document you signed in 1990 may now be inadequate to authorize your financial agents to carry out certain tasks on your behalf. To provide client-specific advice, I can’t just review a list of assets and how they’re titled; I also need to understand clients’ family situations and dynamics, their health and long-term plans, and their charitable goals.”**

— Ann Martin, Attorney  
Gibbel, Kraybill & Hess



# Understanding the New Tax Reform

In December 2017 Congress enacted the most comprehensive tax law changes in more than 30 years. Read on for ideas to help you maximize your hard-earned dollars.

## Make More Charitable Gifts

Changes in the tax laws continues to encourage charitable giving and EXPANDS the amount you can deduct from 50% of your adjusted gross income to 60%. In addition, the new tax law has repealed the provision requiring higher income taxpayers to reduce their itemized deductions by a percentage of their income. If you were affected by this limitation this year you will benefit from the full value of your deductions.

## Gift Securities

Donations of appreciated stocks, mutual funds or other securities you have owned for more than a year, continue to retain special tax benefits. Not only do you receive a deduction for the full market value of the securities but you also avoid capital gains tax.

## Cluster Itemized Deductions to Maximize Tax Savings

Generally, the higher your tax bracket, the greater your savings from your itemized deductions. To experience these saving though you must have deductions greater than the standard deduction amount (\$12,000 for individuals, \$24,000 for married filing joint). Items like mortgage interest, charitable gifts and state and local taxes (up to a limit) may be deducted. When these deductions exceed the standard deduction amount less of your income will be taxed.

It may be wise for you to cluster your charitable giving and other itemized expenses in a particular year to ensure you can have the additional benefit of itemized deductions. Check with your tax advisor when considering the timing and amount of charitable gifts and other expenses to determine what is best for your tax situation.

## Gifts from IRA's

Special tax and other benefits to making gifts from your individual retirement account remain

substantially unchanged under the new tax law. If you own a traditional or ROTH IRA and are 70 ½ or older, you can still make direct gifts to Lancaster Mennonite School, up to \$100,000 per year and this distribution will not be considered taxable income.

## Making Future Gifts

Another benefit of the new tax law for some is the increased threshold for taxable estates to \$11.2 million for single taxpayers and \$22.4 million for married couples. Estates in these parameters will not need to set aside funds for payment of taxes on gifts to heirs. Consider maximizing your dollars and use a portion of your tax saving to make Lancaster Mennonite School students a beneficiary of your estate. A few options to consider include:

- Estate bequests to Lancaster Mennonite
- Living trust gifts designated to Lancaster Mennonite
- Life insurance proceeds to benefit Lancaster Mennonite
- Naming Lancaster Mennonite School as your retirement plan, bank or investment account beneficiary.



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The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income tax include federal taxes only. Individual state taxes and/or state law may impact your results.

You can reach the goals God has placed on your heart to transform lives and change our world. This issue of *Perspectives* has some tips on how you can maximize your giving. To learn more, contact Heidi Stoltzfus at (717) 740-2425, or use the enclosed response form.