

Remembering Magnificat High School in Your Will



Naming Magnificat High School ("Magnificat") in your Will helps to ensure the longevity of an exemplary Catholic education for young women. During these difficult economic times, it may be easier for an individual to forego an outright gift and instead remember Magnificat in his or her Will. This option allows the individual to retain the assets and the income it generates until death, but provides a vehicle for that person, who has been interested during lifetime in Magnificat, to make a charitable gift.

The options available in preparing your Will include providing for an outright bequest in cash, an outright bequest of securities, an outright bequest of tangible personal property, or a residuary bequest.

The type of charitable bequest most often made is a pre-residuary bequest of a specified dollar amount to the charity in which the person making a Will (the "Testator") has been interested during lifetime. Such a cash bequest can be left to Magnificat either with or without instructions from the Testator as to the purpose for which the bequest is to be used. If no instructions are given, the bequest usually can be used by Magnificat for its general charitable purposes.

If the Testator does wish to specify the purpose for which the bequest is to be used, Magnificat should be contacted to make sure that it will accept the bequest with its specified conditions. The following language illustrates a cash bequest with a specific purpose:

"I bequeath the sum of Twenty-Five Thousand Dollars (\$25,000.00) to Magnificat High School, of Rocky River, Ohio, to be used for a scholarship fund that shall be known as 'The Sister Bernadette Vetter H. M. Scholarship Fund.' This fund is to be used to provide scholarships for students in need of financial aid."

If the Testator wishes to bequeath securities, rather than cash, to Magnificat, the bequest can either specifically identify the securities that Magnificat is to receive or permit Magnificat to select a certain number of securities out of an identifiable group. These types of bequests could be satisfied with the following language:

"I bequeath to Magnificat High School, of Rocky River, Ohio, any and all securities of ABC Corporation that I own at my death. For purposes of this bequest, 'securities' shall include common and preferred stocks, bonds, and debentures."

or

"I bequeath to Magnificat High School, of Rocky River, Ohio, any securities from my brokerage account at XYZ Brokerage Firm that it shall select having a fair market value of Twenty-Five Thousand Dollars (\$25,000.00) on the date of such selection. The term 'securities' shall include common and preferred stocks, bonds, and debentures."

If the Testator wishes to bequeath to Magnificat tangible personal property, such as art work, book collections, recordings, etc., the bequest again can either specifically identify the items that Magnificat is to receive or permit Magnificat to select property out of an identifiable group. These bequests could be satisfied with the following language:

“I bequeath to Magnificat High School, of Rocky River, Ohio, any and all paintings that I own at my death.”

or

“I bequeath to Magnificat High School, of Rocky River, Ohio, any and all books that I own at my death that it may wish to have for its Library.”

Finally, another way to make a gift to Magnificat is through a residuary bequest. A residuary bequest is one which is made after all of the Testator's other probate property is disposed of and the debts, taxes, and expenses of the Testator's estate have been paid. Like an outright bequest to Magnificat in cash, a residuary bequest can be made for a specific purpose. The following language illustrates a residuary bequest with a specific purpose:

“I bequeath the balance of my residuary estate that remains after the satisfaction of the preceding provisions to Magnificat High School, of Rocky River, Ohio, to be used for a scholarship fund that shall be known as ‘The Sister Bernadette Vetter H. M. Scholarship Fund.’ This fund is to be used to provide scholarships for students in need of financial aid.”

In addition to providing for a gift to Magnificat, a bequest can reduce the estate tax payable at the Testator's death. There is for both federal and Ohio estate tax purposes an unlimited charitable deduction for contributions made to Magnificat. The general rule in 2009 is that an individual may transfer at death up to \$3,500,000.00 to anyone free of federal estate tax, but only up to \$338,333.00 to anyone free of Ohio estate tax. The amount transferred in excess of that amount is taxed at a maximum rate of 45% by the Internal Revenue Service and a rate of 7% by the Ohio Department of Taxation. A bequest to Magnificat can lower the amount of estate tax due in either situation.

If you would like more information about making a bequest to Magnificat, please call Mary Lou Schlosser Toler '84, the Director of Advancement, at 440-331-7227 (extension 255). She would be delighted to work with you and your attorney to help secure your philanthropic wishes and the future of Catholic education at Magnificat.

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