



# Foundations In Faith

“May Christ dwell in your hearts through faith and may charity be the root of your life.” Eph. 3:17

Fall/Winter 2008

## Well Done, Good and Faithful Servant

**T**he son of John and Mary Elliott, Edward Crowe “Ned” Elliott, was born January 20, 1919, in Memphis, Tennessee. After attending college at St. Ambrose in Davenport, Iowa, he entered Kenrick Seminary in St. Louis, Missouri. He was ordained a priest of the Diocese of Nashville on September 23, 1944, by the Most Rev. William Lawrence Adrian, D.D., S.T.L., Bishop of Nashville, Tennessee, at the Church of the Immaculate Conception in Memphis.

He served the Diocese of Nashville and, later, the Diocese of Memphis as both an associate pastor and pastor at various parishes. In addition he served as Chaplain of the Knights of Columbus in Lawrenceburg, Tennessee, and Chaplain for the Home for the Aged for Shelby County in 1973. However, he spent the most time as pastor of Our Lady of Perpetual Help (OLPH) in Germantown, Tennessee, from 1973 until retirement in 1986.

He is fondly remembered as a fair, compassionate, faithful, generous and humorous pastor, priest and friend. Many remember his great sense of humor, and how he

loved to entertain a gathering with a joke or funny story. His humor helped build relationships with those he served, as the people could relate to his good nature. He is even known for wearing his green roman collar on St. Patrick’s Day.



*Father Elliott*

Fr. Ned loved the people he served as evidenced by his visiting and keeping in touch with friends after he retired. He would take long road trips to visit friends and former parishioners, and then would send out his Christmas letter every year sharing stories about the trips.

Not only was he a friend to many he served, but many even considered him family. During his tenure at OLPH

and into retirement, he was welcomed as a family member into the Vanelli family. Generations grew up with his presence at their dining room table. Some of the young children even thought he was the only “father” until the family shared that other priests could also be called father.

As his health failed him, he moved to Villa Vianney, the diocesan home for retired priests. Daily, the priests gather in the chapel for mass, and on the 60th anniversary of his ordination, he invited the Vanelli family for the mass being celebrated in the small chapel. The family was inspired when they observed his praying aloud, thanking God for his calling to the priesthood; he got choked up, witnessing to the calling of Christ and how thankful he was for his 60 years of service.

His physical health continued to worsen, and Fr. Ned was called home to eternal life on April 17, 2008. He will be missed!

As a good and faithful servant, Fr. Ned had made a plan for distribution of the wealth entrusted to him during

*(continued on back page)*

## Congress Renews IRA Gift Opportunity

**C**ongress recently passed the Emergency Economic Stabilization Act of 2008, which extends for 2008 and 2009 an expired law permitting IRA owners age 70½ and older to make distributions to qualified organizations such as ours of up to \$100,000 per year.

No income tax deductions are available for IRA gifts, but donors may save taxes anyway, where gifts take the place of required minimum distributions that otherwise are 100% taxable. Such gifts can also relieve tax penalties that affect high income taxpayers, including loss of AMT exemptions and reductions in itemized deductions and personal exemptions. In some cases IRA gifts may reduce income taxes on Social Security benefits.

To make a 2008 gift from your IRA, contact your IRA trustee or custodian as soon as possible – preferably before you receive any required minimum distributions. State that you wish to have a distribution check issued in the name of the Catholic Diocese of Memphis and mailed to our office with a note identifying you as the donor. It's important that you notify our office so we can coordinate with your IRA administrator to ensure that your gift is completed by the end of the year and that you receive a receipt.

IRA gifts may have special appeal for:

■ **Friends who use the “standard deduction.”**

Some people give thousands of dollars to worthwhile causes but receive no tax benefit because they are unable to “itemize” their deductions. Gifts from an IRA will count against the annual distributions required of IRA owners over age 70½. Taxable income will be reduced by amounts transferred to charity by the IRA custodian, even though donors can't claim a charitable deduction.

*“Being able to make a 2008 gift from my IRA allowed me to continue my support for Catholic Diocese of Memphis during these tough economic times.”*



■ **People who want to reduce taxes on their estates.** IRAs are subject to both income taxes and “death taxes” after the owner dies. Making qualified IRA gifts avoids these taxes.

■ **Donors who can't deduct all their contributions.** The most a person can deduct for charitable gifts in any year is 50% of AGI (excess deductions can be carried over for up to five years). But gifts made directly from IRAs aren't considered under this 50% limitation, which allows extra tax benefits for friends who wish to make large gifts this year.

Are you ineligible to make IRA gifts? People of any age can name us as partial or 100% death beneficiary of an IRA, 401(k) or 403(b) plan or other retirement account and avoid both income taxes and “death taxes” that may be payable by your heirs. You also can leave your retirement account to a trust that will pay income for life to a spouse or other family member, with later benefit for our programs.

We encourage you to call our office with questions concerning any gifts from retirement plans, including qualified IRA contributions and beneficiary arrangements.

## One Hundred Candles

**T**he U.S. Census Bureau estimates that there will be more than 100,000 centenarians by the year 2010. The ranks of those age 100 and older have been growing, but increased longevity means that retirement savings have to last longer than originally planned. This may be a concern not only for those who reach age 100, but also for those who live into their late 80s or 90s. Someone retiring at age 66 (the full Social Security retirement age for those born from 1943 to 1954) may need their assets to sustain them for another 25 to 30 years – possibly even longer.

The chart below shows how long savings will last at various withdrawal and interest rates. Note, however, that the chart does not reflect erosion of the buying power from inflation. Those who haven't already saved sufficient funds prior to retirement should consider ways to conserve assets or find new sources of income.

### *Delay retirement*

Those who postpone receiving Social Security benefits will receive larger checks. For example, a worker born in 1943 or later will increase benefits by 8% for each year that Social Security is delayed, up to age 70. By waiting to receive benefits at age 70 instead of age 66, the recipient gets 132% of the eligible amount for retirement at age 66.

### *Continue working*

If you continue working after you start receiving Social Security benefits, you might find your checks reduced or your benefits subject to income tax. Retirees under age 65 years and 10 months can earn up to \$13,560 in 2008 (\$14,160 in 2009) before benefits are reduced by \$1 for every \$2 in additional earned income.

Once full retirement age is reached, the earnings limit is eliminated.

Up to 50% of Social Security benefits are subject to tax when “provisional income” exceeds \$25,000 for single taxpayers or \$32,000 for married couples. Up to 85% of benefits are taxable if income exceeds \$34,000 for singles or \$44,000 for couples.

If you have earned income, you can continue contributing to an IRA or 401(k), up to age 70½. If you're not the owner of the company offering the 401(k), you can make additional contributions past age 70½. The 2008 limit for IRA contributions is \$5,000, plus a \$1,000 catch-up amount for those over age 50. The 401(k) limit is \$15,500, plus a \$5,000 catch-up.

### *Invest for lifetime income*

In addition to commercial annuities, there are options for those who also want to assist the Catholic Diocese of Memphis. Charitable remainder trusts and charitable gift annuities offer favorably taxed income for life, an income tax charitable deduction and the satisfaction of assisting our programs. Contact David Cremerius at (901) 373-1273 for more details.

## Years Until Exhaustion of \$100,000 in Retirement Savings

Monthly Withdrawal	Interest Rate on Savings								
	3%	4%	5%	6%	7%	8%	9%	10%	
\$ 400	32	43	*	*	*	*	*	*	
500	23	27	34	62	*	*	*	*	
600	18	20	23	29	*	*	*	*	
700	14	16	18	20	25	*	*	*	
800	12	13	14	16	18	22	30	*	
900	10	11	12	13	14	16	19	26	
1,000	9	10	10	11	12	13	15	17	
1,200	7	8	8	9	9	10	10	11	
1,400	6	6	7	7	7	8	9	9	
1,600	5	5	6	6	6	6	7	7	

\* The asterisk shows withdrawals that can be made without time limitation.

## Well Done . . . (continued from front page)

his earthly life. He shared blessings with family, friends, local parishes, and Villa Vianney by making **specific bequests**, as well as with the Catholic Diocese of Memphis through an **unrestricted residuary bequest**. His love and concern have already benefited the diocese and the ministry to senior priests by providing funding for the acquisition of property and a house adjacent to Villa Vianney in remem-

brance of him. To learn more about types of bequests and planning your own estate, contact **David Cremerius, Director of Planned Giving for the Catholic Diocese of Memphis**, at (901) 373-1273 or [david.cremerius@cc.cdom.org](mailto:david.cremerius@cc.cdom.org). We also encourage you to return the enclosed card for a copy of our new booklet, *Techniques for Planning a Successful Will*.

This publication is designed to provide accurate information in regard to the subject matter covered. It is offered with the understanding that the publisher, editor, and contributors are not engaged in rendering legal, accounting and other professional service. Any examples given are for illustrative purposes only based on IRS tables and regulations in effect at the time of publication. For advice and assistance in specific cases, the services of your own counsel should be obtained.

# Foundations In Faith



In this Issue:  
Well Done, Good and Faithful Servant



5825 Shelby Oaks Drive  
P.O. Box 341669  
Memphis, TN 38184-1669



Non-Profit  
Organization  
U.S. Postage  
PAID  
Memphis, TN  
Permit No. 605