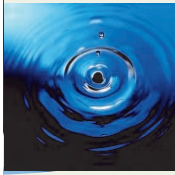




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ST. JOHN'S
CIRCLE OF CARE

A TRADITION ...FOR ALL AGES

September 2011

LEAVE A legacy

NEWS FROM ST. JOHN LUTHERAN HOME FOUNDATION

As Christian Servants, we strive to enhance the physical, emotional, social and spiritual well-being of all who are in our Circle of Care and in the communities we serve. St. John's Circle of Care is dedicated to educate, promote quality of life and independence while offering a stimulating and attractive environment. Our mission is to provide quality care to all person in need of our services.

The St. John Lutheran Home Foundation exists for the benefit of our residents, their families, the staff and St. John's Circle of Care as a whole, in its continued effort to advance the mission and vision of St. John Lutheran Home.

Remembering St. John Lutheran Home Foundation in your estate through a bequest

More than 80% of Americans contribute to the nonprofit groups of their choice throughout their lifetimes. But according to research conducted in 2000, only around 8% of people chose to continue this support through a charitable bequest.

A charitable bequest is simply a distribution from your estate to a charitable organization through your last will and testament. There are different kinds of bequests. For each, you must use very specific language to indicate the precise direction of your assets, and to successfully carry out your final wishes. Without a will there is no mechanism in place to make a bequest. Speak with your attorney or tax advisor on the right plan for you.

St. John's Lutheran Home Foundation exists for the benefit of our residents, their families, the staff and St. John's Circle of Care as a whole. Examples of items provided to St. John's through the Foundation include wheelchairs, resident lifts, contributions toward the new St. John's Community playground and Chapel addition, \$500 scholarships to graduating seniors, and much more. The Foundation offers the option to give to a specific location or programs on the campus, such as The Maples, or Grand-kids/VIK or simply to the general fund.

By making bequests and other "planned gifts" you can continue to help St. John Lutheran Home Foundation and it's continued mission of making a difference in your community.



FACT: Nursing homes and assisted living establishments infuse \$6.7 billion into Minnesota's economy every year. ¹

An investment in older adult services is an investment in a vital growth industry that creates much needed jobs statewide and in our community.

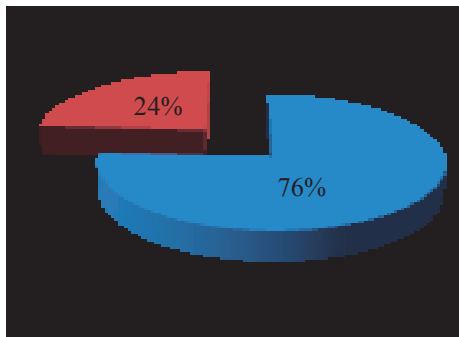
Discussion of older adult services tend to focus on the cost side of the financial equation. But the fact is, nursing homes and assisted living establishments make significant, measurable and vital contributions to the state and local economies, while providing critical services to our aging population.

St. John's Circle of Care employs over 275 people who reside within a 40 mile radius of Springfield, making St. John's Circle of Care Springfield's largest employer of local residents.

St. John Lutheran Home infuses more than \$5 million dollars through payroll into the local economy every year!

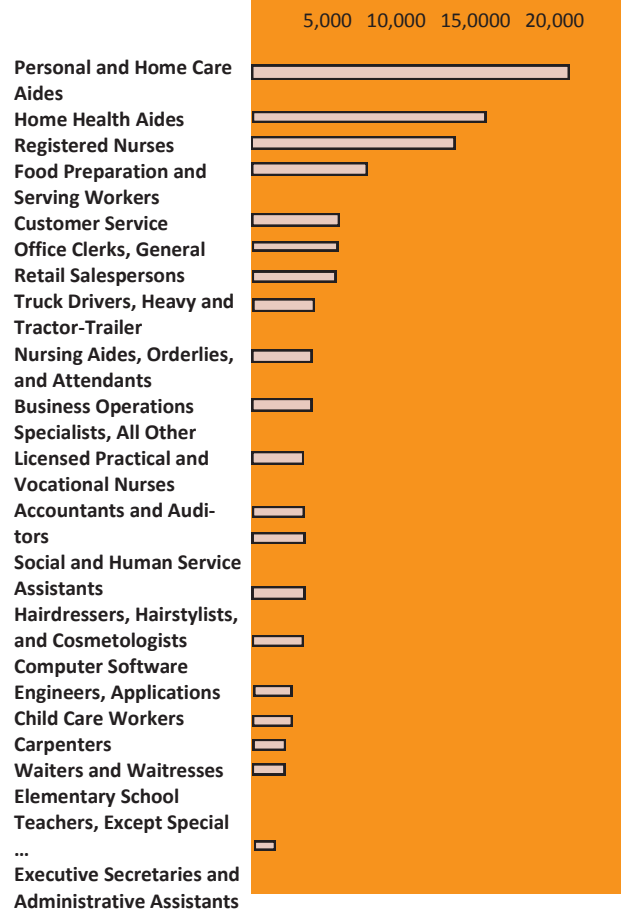
Changing demographics means demand for nursing homes and assisted living will continue to grow, spurring additional job growth in older adult services and increased economic vitality for local communities throughout Minnesota. More than 70 cents of every dollar spent by providers goes directly to wages and benefits for the over 112,000 employees in MN. Those wages are a significant contributor to the local economy in hundreds of communities.

Wages and Benefits as a percentage of Operating Costs



■ Wages and Benefits ■ Other Costs ³

Occupations with Most New Jobs (2009 -2019)²



On the Horizon

- Currently, Medicaid underpays the true cost of care by nearly \$25 a day per resident, which is a 20% increase from that projected in FY 09 (\$20.31). The government is currently mandating providers charge a rate that is significantly below cost, even to those that can afford to pay for the cost of their care.
- If nothing changes before Oct. 1st nursing homes around the country are going to see an 11.1% cut to their Medicare rates. That translates into \$79 billion over 10 years over the entire sector and for St. John's that means over \$170,000 per year will be cut in revenue which makes the success of the Foundation even more crucial. A successful Foundation means an even more successful St. John's

1. Economic impact analysis prepared by the American Health Care Association by The Lewin Group analysis using the Impact Analysis for Planning (IMPLAN), January 2009.
 2. Minnesota Department of Employment and Economic development, Labor Market Information Office
 3. 9-30-2008 Medicaid Cost Report, freestanding nursing facilities



Donating IRA assets to charity

Legislation offers a tax break for retirees

The Pension Protection Act of 2006 introduced a provision enabling retirees to take tax-free withdrawals from their IRA, provided the money is transferred directly to a qualified charitable organization of their choice.

Turn your required distributions into charitable donations

IRS rules mandate that individuals age 70 1/2 and older take RMDs from their IRA each year, regardless of whether the income is needed. These annual withdrawals are subject to ordinary income taxes. By making a charitable contribution from your IRA, you can satisfy your RMD amount without reporting additional income. This provision may be especially attractive for retirees who don't need all the income from their IRA to meet current living expenses. By donating the money to charity, you can enjoy the satisfaction of knowing that you are contributing to a worthy cause while effectively lowering your tax bill.

Is a charitable contribution from an IRA right for you?

Donating IRA assets can be a financially rewarding strategy for both you and the charity. As always, you should talk with your financial representative or tax advisor before making a decision that alters your tax situation. Following are several examples where it may be appropriate;

- Generally, in order to claim a charitable deduction, you must itemize your tax return. For retirees who no longer pay mortgage interest, the deductions may be too small to itemize. The provision offers the tax benefits of a charitable contribution without your having to itemize your deductions.
- Charitable deductions are limited by a taxpayer's income—generally up to a maximum of 50% of modified adjusted gross income. By directing your IRA distribution to a charity, you can avoid this restriction.
- If reporting additional income on your Form 1040 increases your Medicare Part B premiums or negatively affects the taxability of your Social Security benefits, then making a charitable contribution from your IRA may be appropriate.
- Some states do not allow residents to deduct a charitable contribution. Making a donation to a charity directly from an IRA may provide a way to effectively claim a state tax deduction. Consult a tax professional for state-specific guidance.

GUIDELINES FOR DONATING IRA DISTRIBUTIONS TO A CHARITY

Eligibility	Annual Limit	Qualifications	Direct contribution
IRA account owner must be age 70 1/2 or older at time of IRA distribution In order to take advantage of this provision. Rule Applies only to Traditional, Rollover and Roth IRA's; SEPs and SIMPLE IRAs are generally excluded. Distributions of Non-deductible IRA contributions also do not apply.	Maximum amount of a taxpayer's qualified charitable distribution must not exceed \$100,000 per tax year and may include required minimum distributions (RMDs)	Distribution must be made to a qualifying charity; private foundations and donor-advised funds are not eligible. Donations must be made by 1/31/11 and 12/31/11 to qualify for tax years 2010 and 2011, respectively. Consult a tax professional for additional information.	The IRA Trustee or custodian must make the distribution directly to the charity. Distributions made payable to the IRA owner and transferred to the charity will not qualify.



A Virtuous Cycle

The Ripple Effect

The impact you have on the world is greater than you could ever imagine and the choices you make affect the whole. In a world of over six billion people, it's easy to believe that the only way to initiate profound transformation is to take extreme action. Each of us, however, carries within us the capacity to change the world in small ways for better or for worse. As the effect of a seemingly insignificant word passes from person to person, its impact grows and can become a source of great joy, inspiration, anxiety or pain. Your thoughts and actions are like stones dropped into still waters, causing ripples to spread and expand as they move outward. You can use the ripple effect to make a positive difference and spread waves of kindness that will wash over the world. Should the opportunity arise, the recipient of a good deed will likely feel compelled to do a good deed for someone else. One act of charity, one thoughtful deed, or even one positive thought can pass from individual to individual, snowballing until it becomes a group movement or the ray of hope that saves someone's life. Every transformation, just like every ripple, has a point of origin. You must believe in your ability to be that point of origin if you want to use the ripples you create to spread goodness. A smile directed at a stranger, a compliment given to a friend, an attitude of laughter, or a thoughtful gesture can send ripples that spread among your loved ones and associates, out into your community, and finally throughout the world. The momentum of your influence will grow as your ripples move onward and outward. One of those ripples could become a tidal wave of love

Check It Out!

You can now donate to the Foundation online at sjlhome.com on the Foundation page!

Want to start receiving your newsletters via email?

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