

# Digest

EDUCATIONAL FOUNDATION

Fall 2006

Save the Date!  
**CHRISTMAS SPIRITS REVUE**  
Saturday, January 27  
(See details on back cover.)

## Scholars Shine at Banquet

**A**s the first recipient of the *Joyce Kernan Memorial Scholarship in Nursing*, it was Carline Cadet's "time to shine." A Haitian immigrant and first generation college student, she will begin her second year in Oakton's nursing program this spring. One of five new scholarships introduced in 2006-07, this gift honors the late Joyce Kernan, founder of A-Abiding Care, a home health care provider. Kernan taught nursing at Oakton and enabled the College's Basic Nurse Assistant Training program to become one of the nation's best. The award was created by Kernan's daughter, Valerie Trausch, and family members.

Scholarship winners expressed their gratitude at the annual Oakton Scholarship Banquet on September 27, 2006, as the Educational Foundation presented 205 scholarships worth \$170,000. Other inaugural scholarships include:

**J. Dawn Mercedes Memorial Scholarship.** Established by Dr. Lauren Vitek in memory of Oakton associate professor of art and graphic design, J. Dawn Mercedes. "I will continue to make the most out of the great opportunity I have been given," said the first awardee, Scot Castellani.

**Mary and Paul LeGere Scholarship.** Adele LeGere, retired Oakton professor of mathematics, endowed this scholarship in honor of her children, Mary and Paul LeGere. The first recipient is Jessica Martin of Northbrook.

**Dr. Mark Walter Memorial Scholarship.** Established by the Division of Science and Health Careers faculty in



*Oakton student Shannon Kerr accepts a Karen Kline Wilmette Harbor Rotary Club Scholarship from Ray Hopkins, president of the Wilmette Harbor Rotary Club.*

honor of the late Mark Walter, associate professor of chemistry, this scholarship recognizes an outstanding biology or chemistry student. The recipient of this scholarship is Judy Kim, who plans to study optometry after graduating from Oakton.

**Lois E. Henrikson Memorial Scholarship.** A long-time member of the American Association of University Women, Lois Henrikson worked to empower women through higher education. The recipient of this scholarship is Theresa Bashiri of Des Plaines.

In addition to the 205 scholarship winners, 152 students with financial need who do not qualify for other federal or state aid will benefit from a \$145,000 donation from the Board of Student Affairs. Each gift represents the generosity of businesses, organizations, and individual donors who support Oakton and its students.

## Inside

- New IRA Law Impacts Charitable Gifts
- Big Whinny-ers at Arlington

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# IRA Charitable Gift Provides Tax Benefit

**P**resident Bush this year signed a new tax law that includes a charitable gift incentive for donors aged 70<sup>1/2</sup> or older. The *Pension Protection Act of 2006* allows for direct gifts to charities from a regular or Roth Individual Retirement Account (IRA), with positive tax results.

Each year, IRA owners must take a “required minimum distribution” (RMD) by December 31—even if they don’t need the money. Financial penalties are the result of failing to take the RMD, at least a portion of which is typically subject to federal income taxes. Previous to the new law, any RMD funds used for charitable gifts would first be reported as taxable income before a charitable deduction could be made. In addition, the maximum charitable deduction was only for up to 50 percent of the individual’s adjusted gross income. This sometimes caused donors to pay more in income taxes than if they had not made a gift at all.

Under the new law, donors may arrange to take the full RMD—without owing taxes on it—by directing the withdrawal to a qualified charity. Several conditions apply, including:

- The individual must be age 70<sup>1/2</sup> or older on the date the gift is made;
- The gift amount is \$100,000 or less each year;
- Gifts must be made during the qualifying years 2006 and 2007;
- The gift transaction is a direct transfer from the individual’s IRA or Roth IRA to a qualifying charity like the Oakton Community College Educational Foundation.

## How the New Law Works

For example, Pat, aged 75, must withdraw \$20,000 from her \$436,000 IRA—even though she does not need the money. By transferring the \$20,000 directly to the charity, she avoids paying \$5,600 in federal taxes (based on her 28 percent tax bracket). Even though she cannot claim a charitable deduction, she is able to reduce the amount the federal government would have taken.

If Pat desires, she can increase her gift by the amount of tax that would otherwise have come due on the RMD. This means her selected charity can now receive the additional sum that would have been paid as federal taxes. The augmented gift amount is calculated by dividing the anticipated gift by 1.0 minus the tax bracket. Pat, who is in the 28 percent tax bracket and plans to give \$20,000, can now give \$20,000 divided by .72 or \$27,777, at no additional after-tax cost. This strategy also may have the added benefit of reducing the tax consequences of future RMD withdrawals.

Before initiating a gift of IRA funds, donors should ensure that the recipient is a public charity as defined under Code §170(b)(1)(A). Gifts should be coordinated so that the donor receives the appropriate receipt for income tax exclusion purposes. For more information about how to make such a gift to the Oakton Educational Foundation, please call Lisa Fischer, manager of major and planned gifts, at 847-635-1611.

*Pursuant to IRS Circular 230 on federal tax matters, any U.S. federal tax advice in this article is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer, and the advice was written to support the promotion of the transaction(s) or matter(s) mentioned herein. Taxpayers should seek advice based on their particular circumstances from an independent tax advisor.*

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# Big Whinny-ers

Unique auction prizes – including an original etching by renowned caricature artist **Al Hirschfeld**, 50-yard-line seats at Soldier Field to see the **Chicago Bears**, and a sheared mink jacket from Shari’s Furs—were among the highlights at the Educational Foundation’s annual Oakton at Arlington fundraiser. Friends of Oakton gathered on Saturday, August 19, to help raise nearly \$60,000, while enjoying a full day of food, fun, and fast-paced horse racing action.

In addition to many special live and silent auction items, which also included two dugout box seats at Wrigley Field (donated by **Walter E. Smithe Furniture** as part of its own “Best Seat in the House”

promotion), a golf weekend at the **American Club** in Kohler, Wisconsin, and a special evening for four at the **Chicago Lyric Opera**, this year’s Oakton at Arlington featured three “cash raffle” prizes worth a total of \$1,500. Winners included Brian Little, HSBC—North America; Paulette Levy, a member of the Oakton Foundation Development Council; and Blake Johnson.

Oakton at Arlington supports scholarships and other programs not covered by the College’s annual budget. The Foundation this year awarded more than 200 scholarships to Oakton students pursuing their academic dreams.

1. Foundation director Sharon Rossmark of Allstate Insurance, and husband Duane (standing, second and third from left), find themselves “in good hands” at Oakton’s annual Arlington Park fundraiser.

2. District 535 Trustee Emory Williams and Gerri Sizemore (standing) enjoy the afternoon with Jacqueline and John Frazier.

3. Foundation director Jim Pribel of the Chicago Mercantile Exchange, with daughters Cheryl (left) and Kelli.

4. Winning tickets mean big smiles from (l-r) Sue Kravis, Foundation director Allen Kravis, Dodie Weinstein, and Robert Goldberg.

5. Sylvia Footlik (left), senior vice president of Oakton’s Educational Foundation, shares a “perfecta” afternoon with daughter Jan Footlik.

6. Caught during a break in the action are (standing, l-r) David Smith; Joianne Smith, VP, student affairs at Oakton; George Chirempes, VP, business and finance; Mary Ellen Chirempes; and (seated, l-r) Bonnie Lucas, VP, information technology, with daughter Dana Lucas, and friends Gina Goodfriend and Kelly Tracey.

7. Foundation director Eugene Slade of the Walgreen Company (far left), enjoys the afternoon with members of his family.



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## Upcoming Event

This annual favorite showcases some of Chicago's best legal minds in parodies of political, sports, and show business celebrities.

The Chicago Bar Association's 83rd Annual  
**CHRISTMAS SPIRITS REVUE**

# King Tort

## AND THE GOLDEN AGE OF LAWYERS

Saturday, January 27, 2007

8:30 p.m., Footlik Theater, Des Plaines Campus

A reception follows the benefit performance.

Tickets are \$60. For reservations call 847-635-1893.

*Sponsored by the Oakton Community College Educational Foundation.*

Proceeds benefit the Oakton Educational Foundation Scholarship Fund and the Charles N. Goodnow Chicago Bar Association Scholarship for Oakton students.



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*The Foundation Digest commemorates the Educational Foundation's past and future commitment to Oakton Community College. Published three times a year, the Digest contains news about College programs and services and reports on Foundation accomplishments.*