Roger Benson was raised by a single mom and the family was always short on money. So he learned at an early age to nurture his entrepreneurial spirit — mowing lawns on hot summer days and waking up at the crack of dawn to deliver newspapers.

For years, he worked as a homebuilder. But in 1975, at the age of 40, he came home and asked his wife, Judy, who was working as a labor and delivery nurse at Mercy Hospital, how she'd like to be married to a sewer cleaner.

That year the couple started a plumbing, sewer and drain cleaning company out of their home. They called it Rescue Rooter and took great pride not just in what they did, but also in how they did it. Together, they brought a whole new level of professionalism to the industry, which over time became a standard that many plumbers and other service providers still strive to achieve.

At Rescue Rooter employees answered the phone on the first ring. They responded to calls within an hour. They maintained the highest concern for the customer’s “castle.” Their uniforms were clean, their trucks were spotless and they received training, not only on the latest technology of their trade, but also on adhering to values most conducive to customer satisfaction.

Rescue Rooter eventually included 23 locations across 10 states, with a fleet of 800 trucks and a team of 1,300 employees. It became the largest privately held plumbing, sewer and drain cleaning company in the United States and, in 1998, the couple sold the business to a Fortune 500 company that promised to retain their employees as well as the value system for which Rescue Rooter had come to be known.

Roger and Judy still nurture the entrepreneurial spirit in others. This year Roger was part of USD’s fourth annual Undergraduate Business Plan Competition in which students present their ideas for business ventures to a panel of judges to vie for a share of $5,000.

Recently, the couple made a gift to the business school through their IRA. Tax-free gifts are allowed directly from a Roth or Traditional IRA to a qualified charity, like USD, under a law that is due to expire on Dec. 31, 2011. Their hope is to inspire and support future entrepreneurs.

“There’s an intrinsic reward in knowing that you started something, watched it grow, provided jobs and helped others,” Judy says.

Their advice to future business owners? Don’t be afraid to get your hands dirty. Know that you may have to be the chief bottle washer. Do your research. Be lean and mean and hold off on buying space with a big corner office. Regularly communicate with other business owners who will give you honest advice. Stay humble.

“It isn’t magical,” Roger says. “You have to learn the skills and pay your dues. You also have to have follow-through — there are lots of people who have great ideas, but don’t have the discipline to follow through. But what’s most important is to feel passionate about what you do.”
The next time your certificate of deposit is ready to roll, consider moving to a USD gift annuity for a safe, fixed, and guaranteed higher rate, while making a gift commitment to support our students. Here is a quick example using $25,000:

When a CD matures, a single individual age 70 would exchange the cash for a gift annuity. The gift annuity rate is based on the individual’s age. For a person who is 70, our gift annuity rate is 5.8 percent. Almost four times higher than the 1.5 percent of a CD! For a person who is 75 year old, the rate jumps to 6.5 percent! Our gift annuities can pay one or two people for life.

The 5.8 percent gift annuity rate is locked in for life and is irrevocable because when the individual passes away, any remaining portion of the original amount is used for scholarships. Payments are fixed and unaffected by the ups and downs of the stock market. The annuity payments are guaranteed by USD, and would be partially tax-free. Because this is a gift that pays the individual donor, a charitable income tax deduction is available immediately.

You can accomplish this for yourself while creating a legacy for USD students.

To learn more about USD gift annuities, contact John Phillips in the Office of Planned Giving at (619) 260-4523.

* The California Life Insurance Guaranty Association does not back up payments of annuities.

Charitable IRA Rollover Opportunity Ending

In 2006, President George W. Bush signed a law that, among other things, allowed owners of individual retirement accounts and Roth IRAs to make tax-free gifts to qualified charities. This provision has been extended twice since then. However, it is due to expire again on Dec. 31, 2011, and at this time, there is no extension in guaranteed.

The charitable IRA rollover has been very popular among University of San Diego donors who have given nearly $350,000 for scholarships and other university needs. The beauty of this type of gift is that it allows the donor to make a gift that is tax-free directly from his or her IRA and counts toward satisfying the minimum required distribution.

To qualify for this special IRA rollover treatment, all of the following criteria must be met:

- Donors must be age 70½ or older and own a traditional or Roth IRA. Other retirement plans, such as pensions, Simple IRAs, 401(k) plans, 403(b) plans, and others are not eligible.
- Only the IRA trustee can transfer gift amounts to a qualified charitable organization. If IRA owners withdraw funds and then contribute them to charity separately, amounts withdrawn will be included in the donor's gross income and taxed accordingly. Distribution checks must be issued in the name of a qualified charity, not to the account owner, and advance notification must be given to the charity of the forthcoming gift.
- No charitable deductions are allowed, but gift amounts will not be included in the donors’ incomes. According to the Internal Revenue Service, these IRA gifts may be used to satisfy charitable pledges.
- IRA gifts may not exceed $100,000 per calendar year per person. If a couple each has an IRA, they could donate a total of $200,000 to one or more qualified charities.
- The ceilings on contribution deductions of 50 percent of adjusted gross income (AGI) for cash and 30 percent of AGI for capital gain assets do not apply to IRA gifts.

The Charitable IRA offers a significant opportunity for donors who:

- hold assets in their IRAs that they do not need;
- would like to make a large one-time gift;
- are subject to the 2 percent rule that reduces itemized deductions;
- do not itemize; or
- plan to leave part or all of their IRA to your organization at death.

Compare CD rates 1.5% vs. USD Gift Annuity Rates 5.8%*

* The California Life Insurance Guaranty Association does not back up payments of annuities.
Bridges Scholarship Corner

Reserve Your Seats Now!

Join the Office of Planned Giving on **Wednesday, Nov. 30**, for our annual Holiday Luncheon. Help us honor the Bridges Endowed Scholarship recipients for 2011. The luncheon is $35 per person and will be held in the Joan B. Kroc Institute for Peace & Justice. For more information regarding registration and seating requests, please contact Jenny Barbosa at (619) 260-4815.

**Time is running out!**
The ability to make a tax-free gift from your IRA will expire on December 31, 2011.

Don’t wait until the last minute!

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Bridges Newsletter
Fall 2011

The University of San Diego shows off its fall colors.