

Partners Through Giving

NEWS FROM YALE'S OFFICE OF PLANNED GIVING

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From the Director



The cumulative power of bequests has helped shape the Yale of today and will influence Yale tomorrow. The men and women who have chosen to leave a legacy gift for Yale come from every generation of alumni from Yale College as well as from our graduate and professional schools.

Family, faculty, and friends of Yale are also among those who support the future aspirations of our students and researchers by including a bequest to Yale in their estate plans. By remembering the University in this way, all share a commitment to Yale's future.

In addition to supporting student financial aid, individuals have made plans to endow professorships, establish international travel fellowships, fund innovative scientific and medical research, expand curatorial staff in our museums, galleries, and libraries, and enhance programs in many specific areas including the arts, athletics, and the environment.

As you plan your own legacy, I invite you to consider the stories of the generous and committed individuals whose gifts we profile in this issue and whose foresight will enhance the University.

If you would like to learn more about ways to leave a legacy at Yale, please do not hesitate to contact us. If you have already included the University in your estate plan, please give us the opportunity to show our appreciation for your intention by honoring you as a Yale Legacy Partner.

We thank you for your continued loyalty and support.

With warmest wishes,

Eileen B. Donahue
University Director of Planned Giving

“I am now ready to embark on my career with a clarity and confidence only an environment like Yale would allow me to discover.”

—Amanda Spooner '09 MFA, the inaugural recipient of the Richter Scholarship, which was established through a bequest to Yale

Why I Give to Yale: John Appel '57



John Appel '57 and his wife, Hannah

“Upon the death of the owner, an IRA is subject to both income and estate taxes. Realizing the possibility of this potential reduction of long-term savings, I decided on a plan of action to prevent it. The best solution for me was to name Yale the beneficiary of my IRA as a part of my estate plan. By doing so, and by having other assets pass under my will to my family, I may actually be able to leave more for my wife and children and save taxes at the same time.

“I am very fortunate to have attended Yale and have always been proud to be a Yale graduate. It is heartwarming to see Yale succeeding in all its endeavors and always at the forefront of the world's leading universities. I recall what a year my 50th reunion year was for me... and for Yale: five Rhodes scholars, thirty-one Fulbright scholars (more than any other one school), Yale 34 : Harvard 13. Ah, yes, a memorable year!”

Read more about the benefits of naming Yale a beneficiary of your IRA on page 2.

Creating a Legacy at Yale



Sterling Memorial Library, one of the most recognizable Yale buildings, is a result of a bequest from John Sterling, Yale Class of 1864

INCLUDE A BEQUEST TO YALE IN YOUR ESTATE PLAN

Bequests have a profound and lasting impact on teaching, learning, and research at Yale and are a significant source of support for the University. The continuation and expansion of this tradition of remembrance will contribute to Yale's future financial strength and academic excellence.

For many alumni and friends, a bequest is a simple way to make a gift. A commitment made today can influence Yale's future with no effect on your resources during your lifetime. Bequests to Yale can be in the form of cash, securities, real estate or other property. You may designate a specific dollar amount, a particular asset, a fixed percentage of your entire estate, or leave your residuary estate after you have provided for loved ones.

Consider using the following language to create a bequest to Yale through your will or revocable trust:

"I give (_____ dollars) or (a specific asset, such as securities, real estate, or other property) or (all) or (_____ percent of the rest, residue, and remainder of my estate) to Yale University in New Haven, Connecticut, (for its general purposes) or (for the following purpose: _____)."

While unrestricted gifts allow the University to allocate funds to areas of greatest need, your bequest can support a particular purpose or use by a specific school, program, or activity at Yale.

In order to ensure that the evolving educational needs of future generations of students are met, it is advisable to include the following language with restricted gifts:

"In the event that at some future time due to changed circumstances, in the judgment of the Yale Corporation, it becomes impractical to carry out the designated purpose, the Yale Corporation shall make such modifications as will appropriately recognize my interests in coordination with University priorities."

BEQUEST ALTERNATIVES

Name Yale as a beneficiary of a life insurance policy, bank or brokerage account, or individual retirement account

Although including a bequest in your estate plan is one way to leave a legacy, there are other arrangements, similar to bequests, which are simple, straightforward, and accomplish the same goal. Here are a few options:

To name the University as the beneficiary of a life insurance policy, you complete a

beneficiary designation form, indicating your intention for Yale to receive all or a part of the death benefit associated with your life insurance policy.

A similar form can be used to instruct your bank or brokerage firm to pay to Yale all or a portion of what remains in your account when you die.

In each of these cases, you retain control of your policy or account while you are living, and your ability to change the beneficiary at any time you wish.

Another way to include a future gift for the University is to name Yale as beneficiary of your individual retirement account (IRA).

Again the process is simple: you designate Yale to receive all or a percentage of what remains in your IRA at your death. You take distributions as usual, and have the right to change your beneficiary during your lifetime.

Naming a charitable organization as beneficiary of an IRA or other qualified plan to take effect at death can be a very desirable way to make a gift, especially once significant tax savings are taken into consideration. Since most plans are funded with pre-tax dollars, payouts to individual beneficiaries are treated as ordinary income, and may be taxed at current income tax rates as high as 35%. If there is also estate tax liability, as much as 70% of a retirement plan left to

children, grandchildren, or other non-charitable beneficiaries may be consumed by federal and state taxes. In contrast, Yale could receive 100% of your charitable contribution.

For Example...

Andrew has a total taxable estate of \$5 million including an IRA valued at \$500,000. Since he wants to leave one-tenth of his estate to Yale, he designates the University as the beneficiary of his IRA, and leaves the balance of his estate, including cash, stock, and real estate to his children. His estate may claim a charitable deduction of \$500,000, and there is no income tax paid by Yale, potentially saving over \$300,000 in income and estate taxes.*

*The amount of tax savings will differ depending on individual circumstances and the impact of federal and state laws and regulations.

By leaving retirement assets to Yale, and other assets including cash, stock, and real estate to individual heirs, you receive multiple benefits. Your estate and heirs will not be taxed on the portion that Yale receives. And, you have the satisfaction of knowing that your bequest to Yale will have a powerful influence on generations of students to come.

However you choose to leave your legacy at Yale, your decision will serve as an inspiration to all who share a commitment to Yale's future.

Did you know?

You can provide your loved ones with income for their lives while meeting your charitable giving goals.

Consider including a testamentary life income gift as part of your estate plan. That way, both your loved ones and Yale can benefit from your legacy.

Bequest Supports Future Generations of Students

Dr. Michael Petru '73 received a scholarship to attend Yale. Having benefited from financial aid, he knew how meaningful the assistance had been to him, and wanted to extend that kind of help to others. He named Yale as a beneficiary of his life insurance policy, and shortly after his death in 2008, Yale received a bequest to establish an endowed scholarship fund in his name to benefit deserving students from public high schools in the greater Los Angeles area, where he had attended high school.

The student selected as the inaugural Petru Scholar is Alma Alegria, a member of the Class of 2012. Alma is the first member of her family to attend college.



Alma Alegria sc '12

Now a sophomore residing in Silliman College, Alma plans to major in film studies and/or literature—perhaps double majoring in international relations or ethnicity, race, and migration. She spent her 2009 spring break in Nepal at a Kathmandu orphanage. Of her experience, she writes:

“The most rewarding (and equally heartbreaking) part of my trip was volunteering at the Bal Mandir orphanage. Although I was unfamiliar with the language, had to pay travel expenses from my savings, would live in rustic conditions, and would not see my family that semester, I signed up to work at the orphanage because these difficulties for me were nothing in comparison to the challenges and suffering the children at the orphanage faced every day. Despite coming from a low-income, single-parent, immigrant family, I had the privilege of personally delivering medicine, clothes, toys; helping care-takers; making the children laugh, smile and share their stories, while also being exposed to their country and culture. I plan to return.”

In addition to her studies, Alma participates in student theatrical productions with the Yale Dramatic Association. She is also a member of the Ballet Folklorico de Yale, and is managing editor of *La Fuerza*, Yale's Latino magazine. Alma spent much of this past summer in France, enrolled in a French Cinema course through Yale Summer Sessions. Upon her return, she took part in a Yale Summer Service project preparing and delivering college-information workshops for youths in the foster care system. She also tutors New Haven elementary school students.

Alma plans to follow her baccalaureate studies with graduate work. She is thinking about eventually joining the Peace Corps, but has other ideas as well, including pursuing a law degree in education/social policy or becoming a teacher. She also envisions combining her career goals of outreach and service with her love of academia and the arts through documentary filmmaking.

Endowed scholarships such as the Petru Scholarship Fund enable Yale to admit students like Alma, who show great promise, but who otherwise may not have the opportunity to benefit from the unique experience of living and learning at Yale. Collectively, endowed scholarships form the cornerstone of Yale's financial aid program and allow the University to expand accessibility and maintain its excellence.

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Richter Bequest Establishes Drama Scholarship



Amanda Spooner '09 MFA

In 2007, Yale School of Drama received a bequest from the estate of Barbara Richter '60 DRA. It was her wish to establish an endowed scholarship to support female graduate students majoring in any aspect of theater. The first Richter Scholarship was awarded in 2008 to stage management student Amanda Spooner '09 MFA.

“I have always been serious about making a life in theatre,” says Amanda, “but I couldn’t imagine a place where art is the priority, passion is an asset and expression a necessity—that is, until I came to Yale School of Drama. I am now ready to embark on my career with a clarity and confidence that only an environment like Yale would allow me to discover.”

You can create your own enduring legacy and influence the future by remembering Yale in your estate plans.

Photo credits: John Appel, Michael Marsland, Yale School of Drama



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