Your Bequest and Queen’s University*

A time-honored method of supporting Queen’s University* is through a bequest.

In its simplest form, your will provides that Queen’s University* is to receive a specified sum of money, a specific piece of property, or a stated percentage of your estate. Each of these bequest methods has certain advantages. Our new publication – Planning Your Bequests – explains the various bequest forms and will be helpful in planning your own bequest to Queen’s University.*

Whatever the form of your bequest, you may want to state exactly how your bequest is to be used. You can even direct that the bequest be made as a lasting memorial to yourself or a loved one – permanent testimony of your generosity and concern for the future of Queen’s University.*

But your bequest may have an equally important practical side to benefit Queen’s University* and still provide full financial security for your family. Your estate can deduct – for federal estate tax purposes – the total dollar value of any property passing to Queen’s University* under your will.

This valuable booklet explains some basic facts about wills – and the time-proven methods of making a bequest to Queen’s University.* Planning Your Bequests will show you how a bequest to Queen’s University* can effectively fit into your estate planning.

If you would like more information on planning for a bequest to Queen’s University*, please return the attached card.

*Residents of the United States

U.S.-based alumni and relatives can make donations including bequests directly to the University under the Canada-United States Income Tax Convention. Matching gifts, gifts from other American citizens or residents, or gifts from corporations, foundations, trusts and IRA accounts should be directed to the U.S. Foundation for Queen’s University at Kingston (Employer ID 52-1960422). Our U.S. Foundation is a 501(c)(3) tax-exempt organization recognized under the U.S. Internal Revenue Code.

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Hooked on Queen’s

As a gift to Queen’s, it is certainly one of the more visually and physically appealing.

Dr. Margaret Gibson’s rendering of the Queen’s crest sits high on the back wall in Grant Hall. The rich red, gold and blue of the hooked rug grab the eye. As you look at it more closely, you see that she has worked in symbols almost invisibly – a treble clef in the crest itself (for the school of music), a ringing school bell below it (for education), a set of scales (for law) and a bull and bear (for commerce). There are also question marks (perhaps representing the spirit of inquiry) scattered about randomly. The pile of the rug gives it a marvelously tactile quality; you can almost lie your fingers on it.

Doing something tangible, making a difference, means a lot to Dr. Gibson. It was her motivation to study medicine. It inspired her to learn how to hook rugs like the one she presented to the university. And it has been the guiding force behind her decision to include in her will a bequest to Queen’s University, for the future annual J. Henry Gibson & Muriel Stiver Lecture on Mental Health of Our Convention.

The Queen’s Financial Planner is provided as a special service for U.S. alumni and friends of Queen’s University. This newsletter has been produced in cooperation with various organizations that share an interest in education. It is not a solicitation of charitable contributions. It is intended to provide financial information and opinions. Readers are cautioned to consult their own professional advisors to determine the applicability of information and opinions in this newsletter to your particular circumstances.

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SPRING 2015
Don’t Need an Estate Tax Charitable Deduction? We’ve Got Ideas

A gift to charity generates an estate tax charitable deduction, but what if your estate isn’t subject to tax? In 2015, the estate tax credit sheltered estates up to $5.4 million. Many people, even those with estates in excess of the sheltered amount, avoid estate tax by making lifetime gifts to their designated beneficiaries, which qualify for the unlimited marital deduction.

Even if estate taxes aren’t a concern, many people want to remember the organizations, such as Queen’s University, that have been important in their lives.

Mary had a $50,000 charitable bequest to her favourite organization in her estate plan, but she changed her living trust to leave everything to her husband instead. “No matter how large her estate, she will owe no estate tax, thanks to the marital deduction. But Mary is confident that her husband, who also loves the organization, will make the ‘bequest’ for her.” At her death, he can make a lifetime gift of $50,000 and will be entitled to an income tax charitable deduction, saving more tax than if she left the bequest in her estate plan.

The Smiths have seven children and several grandchildren. Over the years they have advised their family members using the gift tax exclusion ($14,000 in 2015). Because of these gifts, the Smiths will have an estate that they anticipate will be completely sheltered from the estate tax.

The Smiths have also been generous donors to various charities and would like to continue their support through their estate plan, but there would be no estate tax benefit for their bequests. Instead, the estate of the survivor will go to the children, who are aware of and share the parents’ philanthropic goals. The children then make the gifts to charity in the parents’ names and receive income tax deductions that will save them money.

George established a trust that, at his death, will pay all the income to his sister for life, along with any trust principal that the trustee deems appropriate. The tax paid on the income is not a tax deduction. The trust will not be tax-exempt, but George wants to ensure that his sister has the funds necessary for her comfortable support.

Please feel free to call our office if you’d like more information on these or other ideas for continuing your generous support of Queen’s University through your estate plan.

IRA Planning: It’s Not for Amateurs

You’ve put it off as long as possi-

ble, but now time’s up. You’ve turned 70½, and soon will have to make withdrawals from your IRA. A standard table governs how much you must withdraw from your account each year, starting in the year following your 70½ birthday.

You simply add up the value of your accounts at the end of the year and divide that amount by the applicable distribution period or life expectancy, according to your age, to figure your required minimum distribution for the current year. The table on this page shows the applicable distribution period.

There are some general rules to remember about IRA withdrawals:

The minimum withdrawal amount is figured separately for each IRA account, but funds need not be withdrawn on a proportional basis. The aggregate total of the required withdrawals from all IRAs can come from the same account earning the lowest rate of return.

If you take less than the mini-
mum required distribution, a 50% tax is imposed on the amount you should have received but didn’t.

You can name Queen’s University (or a charitable remainder trust) as a beneficiary of your IRA or other account. By increasing the minimum amounts you must with-
draw each year, you can pass a larger portion to charity.

The fund will bring in qualified speakers to talk to Queen’s clinicians as well as other interested people in the community such as nurses and high school teachers – the people most likely to first spot mental health problems in children. It will be a legacy as beautiful in its own way – and hopefully as durable – as that rug hanging in Grant Hall.