

Royal Legacy Society

The Royal Legacy Society, established to recognize those alumni and friends who have thoughtfully remembered the University through a bequest or another future gift commitment, is named in honour of Queen Victoria, who established Queen's University by Royal Charter in 1841.

Royal Legacy Society members receive a Certificate of Appreciation signed by the Principal and Vice-Chancellor, and may choose to be recognized on our donor wall housed in the 1923 Reading Room of Douglas Library.

If you have already remembered Queen's with a future gift, please let us know so that we can appropriately honour your intention.

We look forward to welcoming you into the Royal Legacy Society.

For more information, please visit our website at www.queensu.ca/giftplanning/royallegacysociety

Save Paper!



If you would like to receive future issues of this newsletter by email, please contact us at gift.planning@queensu.ca

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Please contact the Office of Gift Planning if you are considering a legacy gift to Queen's to ensure your gift can be accepted and used as you intended. Additionally, depending on the structure of your gift, it may be more appropriate to donate to our U.S. Foundation. Our office can provide advice regarding the best method of giving for your situation.

The *Queen's Financial Planner* is provided as a special service for U.S. alumni and friends of Queen's University. The information and opinions contained in this newsletter are obtained from sources believed to be reliable, but their accuracy cannot be guaranteed. Queen's University and its employees and agents assume no responsibility for errors or omissions or for damages arising from the use of the published information and opinions. Readers are cautioned to consult their own professional advisors to determine the applicability of information and opinions in this newsletter in any particular circumstances. This newsletter is copyright; its reproduction in whole or in part by any means without the written permission of the copyright owner is forbidden.

Keeping It in the Family

A big drawback to a reverse mortgage for many homeowners is that the home may not be available to pass down to children at death. One option might be for a child to buy the home from mom and dad today and then enter into a lifetime lease. Consider a couple – Pam and Dave – ages 74 and 76, who have lived in their home for 41 years. They purchased the house for \$110,000 and built an addition many years ago for an additional \$78,000. Today, the home is worth about \$650,000, but they can't spend that built-up equity.

Ann, the couple's only daughter, proposes to buy the home for the fair market value and rent it back to them at current market rates. There are several advantages for the two generations:

- Pam and Dave owe no tax on the sale, thanks to the \$500,000 exclusion.

- The couple are no longer responsible for the real estate taxes. Although they receive no tax deduction, they were unable to use it anyway because they took the standard deduction rather than itemizing.

- Pam and Dave will owe rent each month, but they can invest the sale proceeds for added growth.

- Ann will have rental income, but will also have offsetting deductions for insurance, real estate taxes, mortgage interest, depreciation and maintenance.

When mom and dad no longer need the home, Ann can sell to harvest the appreciation, move into the house herself or continue renting the house for future income.

Anyone considering a sale of a home to a family member should be careful to document the transaction, keep records of rents paid and seek the advice of an attorney.

*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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Nurturing a Family Tradition

“There were a lot of good causes I could give to, but because of my background and attachment to Queen's, it seems like an obvious choice.”

That's how Donald Travers, a long-time, now retired, member of Queen's support staff, explains his decision to leave money to the University.

Although Travers never attended Queen's University – “I was more into the technical side of things,” he says of his decision to study at Ottawa's Algonquin College – there can't be many people who can boast a stronger connection to the school.

Don's grandfather on his mother's side was Professor John Cole Gwillim, professor of mining at Queen's from 1903 to 1920. Don's mother, Gwyneth Travers, was a Queen's Arts graduate (1933), who later studied at the Agnes Etherington Arts Centre under Andre Bieler and Grant Macdonald, and achieved renown as a maker of woodblock prints and woodcuts featuring scenes of Kingston and Queen's. “Probably her most famous work was of the Grant Hall clock tower,” Travers says. “People wanted that for their graduation present.” His brother Peter (Sci '71) attended Queen's, as did a cousin, Alan Travers, who worked for many years as the coordinator for career services in the Faculty of Education.

Growing up near Queen's, at 234 Albert Street, Travers remembers the



Donald Travers

campus as “very green, like a park.”

“We played around there, used the tennis courts – and watched the antics of the students.” Their mother took them to watch Toronto Varsity burned in effigy in the middle of Leonard Field, and he and his brother sneaked into football games at the old Richardson Stadium. “We'd go in two hours early, avoiding the AMS constables, and hide under the stands. Then we'd come out and watch the Golden Gaels. I can remember the east side bleachers as a sea of Queen's colours, with people swaying and singing the ‘Oil thigh na Banrighinn...’”

In 1970, his schooling finished, Travers was back home in Kingston, wondering what to do next. He saw an ad posted at Queen's, applied, and got hired on as a laboratory technician in the Department of Pharmacology. Three years later, he moved over to the Department of Physiology.

(continued on inside)



Nuturing a Family Tradition *(continued from cover)*

“It was a good environment for me,” he says, “just made to order. I worked with a good bunch of people, and we definitely had a real commitment to the University and to the students.” Travers retired in 2007 after 37 years in the Faculty of Health Sciences.

His decision to remember Queen’s in his will grows out of his family’s long-time connection to the University and reflects their personal values.

“For them,” he says of his parents and his grandparents, “a house was a home, not an investment. These people really looked after things. The Gwillims had amassed investments over time, not massive but blue chip. Mother protected and preserved those assets.”

Travers continued their tradition of careful stewardship when he inherited these investments and, on the death of his brother, the old family home on Albert Street. “I came to realize – that it was their money,” Travers says, speaking of his mother and grandfather. He himself has never married and has no heirs. Leaving something to Queen’s to commemorate John Cole Gwillim and Don’s mother just seemed like the right thing to do.

Don’s gift to the University will include a substantial legacy that will help top up the J.C. Gwillim prize, an award given annually to a second year undergraduate in mining engineering that was founded by his grandmother in 1955. It will also establish the Gwyneth Travers Internship to provide students from the Faculty of Arts with the chance to work or take classes at the Agnes Etherington Art Centre. Says Travers, “If there are people who are interested in the arts and talented, I’m happy to support them.”

The third part of Travers’ legacy will go to the Campus Beautification Project, to help Queen’s maintain the park-like campus Travers played in as a child, those lush green spaces that mean so much to the University and the broader Kingston community. “I tell people if they want to remember me, don’t bother with a service, just plant a tree somewhere.” His mother had a tree planted more than three decades ago to honour his estimable grandfather and grandmother. Another will be a nice touch – a leafy, living reminder of a family and an association with Queen’s stretching back more than one hundred years.



Professor John Cole (JC) Gwillim (second from right) with the Dominion Geological Survey Party (1899) near Atlin, BC



Gwyneth Travers, Arts’33

Turning Paper Profits into Opportunity

It took more than a decade for the Dow Jones Industrial Average to go from 1500 to 1000. But in 2013 alone, the Dow reached two new benchmarks (see chart). Many investors own securities that have increased dramatically in value.

What does the run-up in the Dow mean for your finances? It may be time to reexamine your portfolio. Is your investment mix out of balance in view of your age and financial situation? Should you sell some stocks and reinvest in bonds, tax-exempts or cash equivalents? Should you switch to stocks that pay dividends? Check with your advisers, not only about the financial safety of your investments, but also about the tax consequences of a sale.

If you sell stock and reinvest the proceeds, you’ll owe capital gains tax of up to 20% and possibly the 3.8% net investment income tax. But there are other options that you might find more satisfying:

Share the wealth with your family – You can give up to \$14,000 gift-tax free to as many individuals as you wish. Married couples can give \$28,000. If you give shares of stock rather than cash, you can transfer the current value and all growth to younger family members who may pay only 15% on their capital gains – or possibly zero.

Give stock to Queen’s University* – If you give shares you have owned more than one year, you’ll be entitled to a charitable deduction for the full fair market value of the stock and will avoid all capital gains and net investment income tax, as well.

Dow Jones Industrial Average Milestones	
500	March 12, 1956
1000	November 12, 1972
2000	January 8, 1987
3000	April 17, 1991
4000	February 23, 1995
5000	November 21, 1995
6000	October 14, 1996
7000	February 13, 1997
8000	July 16, 1997
9000	April 6, 1998
10000	March 29, 1999
11000	May 3, 1999
12000	October 19, 2006
13000	April 25, 2007
14000	July 19, 2007
15000	May 7, 2013
16000	November 21, 2013

We would owe no capital gains tax on a sale, allowing the full value of your gift to support our programs.

Keep payments for life from your gift to Queen’s* – You can contribute the shares but keep income for life from the full current value, undepleted by any tax. You can choose a fixed or variable income. You’ll also receive an income tax deduction for our right to receive the assets in the future.

We would be happy to show you the financial and tax advantages available from using appreciated stock to make a gift to Queen’s University,* including gifts that provide income. Just call or write our office.

Send for Our Free Booklet, *Tips and Traps When Naming Your Beneficiaries*

Beneficiary designations can present a variety of tax and legal traps that may frustrate your estate distribution plans. Queen’s University has a new publication on these challenges and how to avoid them: *Tips and Traps When Naming Your Beneficiaries*. Just send back the attached card for your free copy.



Give the Gift of Thrift

If I could instill in my grandchildren only one good habit, it would be that of saving for the future on a regular basis.”

Suppose you could start a young person on the road to thrift by encouraging him or her to establish an IRA? That account could be a lifetime stimulus to savings . . . and a wonderful example of the magic of tax-free compounding of interest.

Tax laws allow anyone with earned income to invest in an IRA – no matter how young. But it might be difficult to convince an 18-year-old to put up to \$5,500 in hard-earned wages in an investment that they won’t touch for 50 years or more – especially when more immediate needs exist. That’s where grandparents can help.

A grandparent can offer to replace money a young person invests in an IRA, enabling the grandchild to use job earnings for college tuition and expenses while saving for retirement at the same time. The \$5,500 that an 18-year-old puts into an IRA today will be worth more than \$100,000 in 50 years (assuming 6% interest), even if no further contributions are made.

Although no income tax deduction is available for a Roth IRA, the grandchild’s income is probably low enough that the tax benefits of a deductible IRA are minimal. The grandchild could later take a tax-free withdrawal of up to \$10,000 for the purchase of a first home, or leave the funds until retirement. All qualified distributions from a Roth are tax free.



Another Important Lesson

While encouraging retirement savings is important, grandparents may also want to foster philanthropy in the younger generation. A grandparent could explain why gifts are made to Queen’s University* and other worthwhile organizations. The grandchild could be given the opportunity to select a charity that he or she feels is worthy, with the grandparents making the gift or matching the grandchild’s gift and increasing their deductions.

For more information on any of the topics discussed in this newsletter, simply fill out and mail the reply card below or visit our website at www.queensu.ca/giftplanning.

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Thank You

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With no obligation to me:

☒ **Yes!** Please send me your new booklet, *Tips and Traps When Naming Your Beneficiaries*, that discusses beneficiary designation challenges and how to avoid them.

☐ I prefer to receive this booklet via e-mail.

☐ I am considering a provision in my Will for Queen’s University.

☐ I have arranged a planned gift to benefit Queen’s University.

