

Royal Legacy Society

The Royal Legacy Society recognizes those alumni and friends who have thoughtfully remembered Queen's University through a bequest or another future gift commitment. 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 honour your intention.

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

For more information, please visit our website at queensu.ca/alumni/rls

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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OFFICE OF GIFT PLANNING
Queen's University
Department of Development
Kingston, Ontario
Canada K7L 3N6

Make the Most of Your IRA

IRAs clearly play an important role in the financial lives of millions of workers and retirees, and Queen's University* has a new booklet, *Maximize Your IRA*, that describes many of the planning possibilities available to IRA participants.

Our free publication covers these and other topics. The booklet also discusses why your IRA might be the ideal estate planning tool for assisting Queen's University.*

We'll examine, as well, how your IRA can benefit a surviving spouse or other family members, with eventual benefit to Queen's University* – and good tax savings.

To make an IRA contribution, simply contact your IRA trustee or custodian and notify us of your plans. We will need to be in contact with your IRA administrator, so please call our office. And by all means, send for your free copy of *Maximize Your IRA*.



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*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.

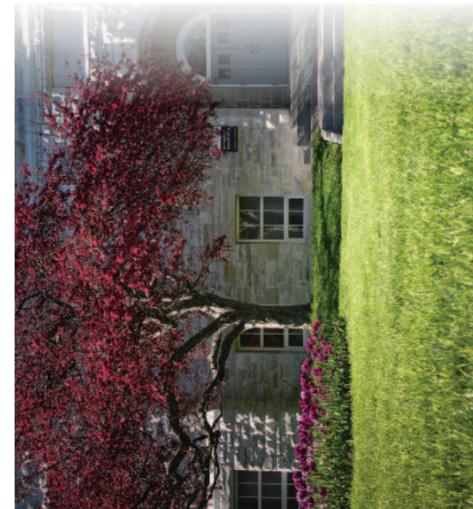


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www.queensu.ca/alumni/giftplanning
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Please contact the Office of Gift Planning if you are considering a legacy gift to Queen's to ensure your gift can be accepted and used as you intended. Additionally, 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.

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FINANCIAL PLANNER



A publication from Queen's Office of Gift Planning published twice annually

Spring 2017

Alumni Ensuring the Future of Queen's



Catherine Purcell, ArtSci'78, BEd'85, MEd'98
and Michael Purcell, Sc'75

"People aren't always comfortable talking about planned giving," says Catherine Purcell, ArtSci'78, BEd'85, MEd'98.

Fortunately, Catherine isn't like most people. As Director of Principal Gifts at the Smith School of Business at Queen's University*, she has frank discussions on the subject every day. "The people I talk to tend to say, 'Oh, I'll worry about that when I'm older,'" she says. "I tell them it's better to plan these things now so you can make it part of your overall financial planning."

Not only does Catherine dispense sound advice to her donors, she also follows it herself. A career-long Queen's employee who has spent 17 years working closely with donors at the Smith School of Business and the Faculty of Arts and Science, Catherine and her husband, Michael, Sc'75, joined the donor ranks themselves a decade ago when they established a bursary for incoming engineering and business students. In 2014, they added to their legacy when they made Queen's the beneficiary of their life insurance policies.

Giving to Queen's was an easy decision for the couple. After all, it's where they first met.

It was Frosh Week, 1974. Catherine, newly arrived from Orillia, had agreed to wash windows as part of charity day at the off-campus home of fourth-year engineering students. One of those students was Michael. "My friend and I were exhausted from washing windows all day," she recalls. "We told them that after all of our hard work, the least they could do was drive us downtown. Michael's best friend had a '62 Impala convertible. We piled in and cruised the main drag. It was a great night."

They started dating at the beginning of Catherine's second year. "She liked it

(continued on inside)

when I pulled up to her residence on my motorcycle with my engineering jacket on," Michael says. "She thought I was like 'Rebel Without a Cause.'" They married the summer after her third year.

Catherine had planned to put her geography degree to work in Calgary after graduation, but Michael, a native Kingstonian, wanted to stay close to home. Since she had worked her way through Queen's carrying film and slide projectors from class to class, she knew her way around campus and felt comfortable looking for work there. She landed a job right away, launching a career at the university that, when she retires this spring, will have lasted nearly four decades.

"Not many people can say they woke up most mornings and looked forward to going to work," Catherine says, "but I really did. I've always enjoyed my jobs and Queen's has been a great employer. Our lives wouldn't have been the same without it."

They expressed their gratitude by establishing a bursary in support of first-year students in either the Smith School of Business, where Catherine has worked for the last twelve years, or Michael's home faculty, the Faculty of Engineering and Applied Science. Since both of them were the first in their immediate families to attend university, they decided to target the bursary toward students who were blazing a similar trail in their families.

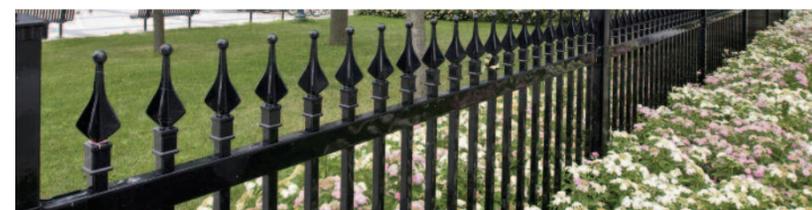
Once the couple had made that commitment, a future gift arrangement seemed like a natural next step. "Because I spend my time asking people to consider leaving a legacy to Queen's in support of an area of the university that they care about, I was probably predisposed to think about leaving a legacy of my own," Catherine says.

After meeting with their financial advisor, they decided to assign Queen's as the beneficiary of a pair of life insurance policies. For the Purcells, naming Queen's as beneficiary was the right decision. "We originally bought the policies for our children," Michael says. "But they're grown now and they're doing well on their own, so we realized that we had an opportunity to do something special."

"We believe that education can be a game changer," says Catherine. "It can break the cycle of poverty, not just for students, but for their families as well. Our kids were in good shape, so we thought we could help someone else's children."

If she could offer one piece of advice to people considering a gift of insurance, Catherine draws on both her personal and professional experience: "Life is short and this is important," she says. "Don't put it off because you think it'll be a hassle. There's just one form to sign. It's that easy to do, and it can make a big difference."

To learn how you can make a big difference in the lives of students for generations to come through a future gift arrangement such as a bequest, the proceeds of a trust, an insurance policy or a retirement fund, contact the Gift Planning Office at 1-800-267-7837 or by email at gift.planning@queensu.ca.



The Appeal of Estate Giving



Without question, the largest number of planned gifts we receive come through bequests – gifts made by our friends in their wills. Why do so many friends choose to make important gifts through wills, trusts and beneficiary designations?

■ **It's the right time.** "I can make a gift that will truly make a difference, and my financial security won't be an issue."

■ **It's the right thing to do.** "I want to leave a legacy. Perhaps my gift can make the world a better place."

■ **It's easy to do.** Adding a bequest to Queen's University* is simple when you make or revise your will. Easier still is to make us a beneficiary of your life insurance, IRA, brokerage account, savings account or CD.

■ **It's economical.** Gifts to Queen's University* may save income taxes and estate taxes for your family, especially if you make a gift through a retirement account.

IRAs, 401(k)s, 403(b)s and other retirement accounts are subject to income tax, at rates as high as 39.6%, even if estate taxes are not an issue. Only Roth IRAs pass free of income tax.

Many of our friends have discovered that these same retirement accounts that will cause income tax problems for heirs make excellent gifts to our future. We receive the full amount, with no loss to taxes. It's even possible to reduce the income tax through a gift that is divided between Queen's University* and family members. For example, charitable remainder trusts: Retirement plan assets can be used to fund a trust that will pay income for life or a term of years to family members. The full value is available to fund the trust, without any loss to income taxes. When the trust ends, Queen's University* receives the assets remaining in the account. An estate tax charitable deduction is available for the value of our right to receive the funds in the future.

Family Gifts Can Save Taxes

Early in the year is an excellent time to consider making tax-free gifts to family members. You not only remove the assets from your gross estate, but the earnings on the gift can also be shifted to a family member in a lower tax bracket, thereby saving on income taxes. If you give appreciated stock or mutual funds to those in the 10% or 15% tax brackets, they may pay capital gains tax of 0% on a sale, compared to the 15% or 20% you would pay.

You can give up to \$14,000 annually, free of gift tax, to as many people as you wish. Married couples can double the gifts (\$28,000). But there's no reason you can't give more than \$14,000 – and there may be reasons why it's a smart move financially.

The gift tax credit shelters total lifetime gifts up to \$5.49 million in 2017. This is in addition to the \$14,000 annual gifts and other tax-free transfers. Although the use of the gift tax credit affects the amount passing estate tax free at death, few people will be subject to the estate tax.

If your estate is not likely to be affected by the estate tax, it may make sense to shift some assets – and income taxes – now. There are a few cautions, however:

■ Gift tax returns must be filed for gifts in excess of the \$14,000 per person limit, even though any tax will be covered by the gift tax credit.

■ Gifts to grandchildren or others more than one generation younger are subject to the generation-skipping transfer tax, in addition to the gift tax. There is a \$5.49 million exemption amount for generation-skipping gifts in 2017.

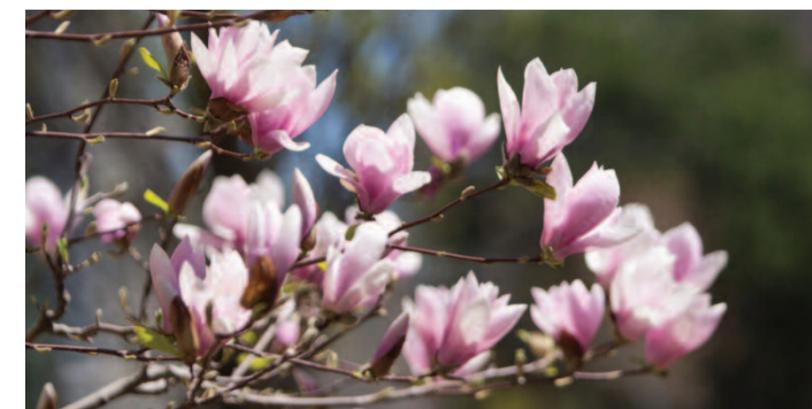
You should ask your tax adviser whether it makes sense to make gifts to family members, including those that exceed the \$14,000 annual exclusion.

In addition to the \$14,000 that you can give annually per donee, there are other ways to benefit family members, at no tax cost:

■ Medical expenses – You can pay the premiums on health insurance, doctors' bills and hospital expenses on behalf of another.

■ Education expenses – You can pay tuition, including college, graduate school or private elementary and high school for another.

The medical and education expenses must be paid directly to the health care provider or school, not to the individual, to avoid the gift tax. There is no limit with either expense.



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/alumni/giftplanning.

First Name _____

Last Name _____

Address _____

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E-mail _____

(Detach, fold and tape before mailing.)

Detach here

Thank You

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With no obligation to me:

Yes! Please send me your new booklet – **Maximize Your IRA** – that describes many of the planning possibilities available to IRA participants.

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.

