

# PLANNING MAKES A DIFFERENCE



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## Making It Personal

People often kid Sue Bates, Artsci'91, that she “bleeds tri-colour.” She laughs about it, but Bates has a connection to Queen's University that reaches as far back as “before day one”—her parents met at Queen's. Bates' mother “loved Queen's, loved the Gaels.” It is in memory of her mother, Katherine Bates, a member of Arts'60, that Bates has included Queen's in her will to assure that her gift will benefit the university into the future.



*Sue Bates, Artsci'91*

After graduation, Bates moved to Scotland, where she was a Queen's alumni contact for several years. She then went on to the Bahamas, followed by the Turks and Caicos Islands, where she continued to play a part in the local alumni association. (“Just five of us,” she laughs. “It wasn't very formal.”) After moving back to Kingston 14 years ago, Bates became even more involved, serving as president of the Kingston Branch of the Queen's University Alumni Association (QUAA) and as a university counsellor, devoting up to 15 hours a week to Queen's. She then went on to a two-year term as president of the QUAA, serving the entire Queen's alumni community across the globe. “Basically, if Queen's asks, the answer is always, ‘Yes,’” she says.

Bates continues to support Queen's as an active volunteer, as well as through her contributions as a loyal donor. With her annual gifts, she chooses to support the QUAA's Special Projects Fund and the Chaplain's Fund (“for kids in need who have nowhere else to turn”) as well as many other areas of the university. And, of course, there is her planned legacy in commemoration of her mother. “Queen's has given me so much. When I thought about where my bequest should go, there wasn't any question.”

*If you are considering including Queen's University, or if you have already included Queen's in your estate plans, please tell us why you've made this powerful and thoughtful decision. We'd like to hear from you. Your gift will make a difference.*

# Have You Made a Time Capsule?

You occasionally read in the news about the opening of a time capsule—a container filled with mementos and memorabilia from a distant era. Time capsules are typically put together on some grand occasion, such as a town’s centennial or the dedication of a public building, then sealed with instructions not to open for 50 or 100 years.

We have a fascination with the past . . . a curiosity about how the people who went before us thought and behaved and hoped and dreamed. We fully expect that future generations will be just as curious about us. So, the custom of constructing time capsules lives on, and in future years our own descendants will discover boxes crammed with pictures, newspapers, letters and anything else we might think would interest them.

Have you made your own “time capsule?” The answer should be yes . . . if you have made a will. Consider the similarities: You make your will in the present, then store it away for use in the future, with instructions provided to responsible persons about where to find it and when to open it. Wills, like other time capsules, can reveal much about the people who prepared them.

The mere fact that you even have a will says something about your sense of responsibility and your concern for the future of family and others important to you. By carefully planning your gifts and other will provisions, you can memorialize your ideals and philosophies—and turn your will into a truly eloquent statement about yourself and all that was meaningful in your life.

You can use your will to remember a kindness or protect an elderly or disabled loved one. You can choose the people who truly will appreciate treasured heirlooms, reward an achievement or encourage worthwhile endeavors. Your will can also perpetuate your concern for the future of Queen’s University through a gift that provides for future students. We’d be happy to discuss the many ways to include a thoughtful gift to Queen’s University in your estate plans.



# Options for IRA Withdrawals— and a Better Idea

Everyone with an IRA who has reached age 70½ knows about Required Minimum Distributions (RMD)—the amount that must be withdrawn annually, based on the owner's age and the account value as of December 31 of the prior year. And everyone knows that those withdrawals are subject to tax at ordinary income rates—as high as 37%.



Some people spread out their RMD throughout the year, much like receiving a regular “paycheck” from their IRA. Others who don’t need the money prefer to postpone the distribution until the end of the year, giving the funds more time to grow tax deferred.

Many friends of Queen’s University\* have discovered that qualified charitable distributions from their IRAs are a tax-wise and satisfying way to support our work. An IRA owner who has reached age 70½ can have the custodian of the account send a check directly to Queen’s University\* or other charities, tax free. Up to \$100,000 can be given annually, but the greatest savings comes when the distributions take the place of required withdrawals, for several reasons:

- IRA owners can avoid income tax they would otherwise pay, while satisfying their RMD, even though no charitable deduction is allowed.
- A distribution to Queen’s University\* can result in lower adjusted gross income, which may help you avoid higher Medicare premiums.
- Some taxpayers may reduce the amount of Social Security subject to tax by lowering adjusted gross income.
- Friends of Queen’s University\* can see their gifts put to use today.

However you choose to take your mandatory withdrawals, consider whether it makes sense to have a portion of your IRA distributions sent directly to Queen’s University\*. Please call for more information on making gifts from your IRA.

# Squeezing Retirement Cash from Assets

You pay into Social Security every year and contribute to a qualified retirement plan, but you may feel you want to save more in anticipation of retirement. What other options are available?

■ If you own life insurance that is no longer needed for family security, it may be possible to gift the policy and receive a charitable deduction. You should maintain enough insurance to cover funeral costs and any final medical expenses.

■ Many people downsize their homes in retirement. A single taxpayer can exclude up to \$250,000 in gain on the sale of a principal residence, \$500,000 for a married couple. To take full advantage of the exclusion, the owner must have lived in the home for at least two of the five years prior to the sale.

■ You may own property that can generate lifetime income while also providing for Queen's University. For example, a vacant parcel of investment real estate or a vacation home isn't eligible for the \$250,000/\$500,000 exclusion, so you'd owe tax on all the appreciation, generally at a rate of 15%. That property

can be used instead to fund a charitable remainder trust. In this case, the property can be sold and no capital gains tax will be owed on the appreciation. And when the trust ends, Queen's University would receive the remaining funds. You would be entitled to a charitable deduction for a large portion of the value of the property when you create the trust. Call us if you'd like to learn more.



## *Keep Up to Date*

Just like clothes that are outgrown or get worn out, your will may be “outgrown” or “worn out.” Your family situation may change, you may move to another state or have acquired new assets. Simple changes may be made through the use of a codicil (an amendment to an existing will), while more extensive revisions may require a completely new will. Resolve in 2019 to examine your will. If your plans do need to be updated, please consider adding a gift to Queen's University. We'd be happy to discuss the many ways to include us in your plans and to provide our correct legal name your attorney will need when drafting your documents.



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](http://www.queensu.ca/alumni/giftplanning).

First Name \_\_\_\_\_

Last Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Daytime Phone (\_\_\_\_\_) \_\_\_\_\_

E-mail \_\_\_\_\_

*(Detach, fold and tape before mailing.)*

### Thank You

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▲ *Fold here*

*With no obligation to me:*

**Yes!** Please send me your new booklet—*Beyond Wills: Creative Estate Planning Ideas*.

- ☐ 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.



# Royal Legacy Society

The Royal Legacy Society recognizes those alumni and friends who have thoughtfully remembered Queen’s University through a bequest or other future gift commitment.

If you have already remembered Queen’s in your estate plans, please let us know so that we can honour your intention.

For more information on the Royal Legacy Society, please visit our website at [queensu.ca/alumni/rls](http://queensu.ca/alumni/rls).

We look forward to welcoming you.



## Save Paper!

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

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# Creative Estate Planning Ideas

A will is a must. Without one, the state decides how assets are divided, and state laws do not provide for the friends and charities you want to remember, such as Queen's University.

Wills and living trusts are not the only way to make a legacy gift to Queen's University, though. Below are some creative ways to give—which may result in significant tax savings, do not require you to revise your existing will or trust, and are generally distributed outside of probate or the trust administration process.

- Name an institution, such as Queen's University\*, the beneficiary of any portion of a life insurance policy.

- Designate Queen's University\* to receive what may remain, or a percentage, in a retirement account.

- You can also name Queen's University\* as the recipient of other direct beneficiary assets.

To make any of these gifts, simply complete a "designation of beneficiary form" that you can obtain from the plan administrator, financial institution or insurance company.

- If you have a donor advised fund, recommend that any remaining funds be granted to Queen's University\*.

Our new booklet, *Beyond Wills: Creative Estate Planning Ideas*, details these various ways to support Queen's University\*. Return the enclosed reply card for your free copy.

## \*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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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 Gift Planning Newsletter* 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. Personal information is collected under the authority of the Queen's University Royal Charter of 1841, as amended, and in accordance with Ontario's Freedom of Information and Protection of Privacy Act and other applicable legislation, including the European Union's General Data Protection Regulation (GDPR) and is used for the purpose of alumni relations, fundraising and advancement activities. If you have questions about the information collected or how it will be used, please call the Office of Advancement, Queen's University at 613-533-2060, or 1-800-267-7837 or visit <https://www.queensu.ca/alumni/privacy>.



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