



# Forward Thinking

SPRING 2012

Financial, estate, and gift planning ideas for Webster University alumni and friends



*Doris Volz Federhofer '38*

## Grateful Alumna Pays It Forward in Multiple Ways!

A vibrant 96 years old, Doris Volz Federhofer is not only a matron of the Webster University Alumni Association, she is perhaps its most vocal advocate and an active campus participant.

She particularly enjoys talking with students about her Webster experience and how her attendance through the scholarship program has empowered her life.

Grateful to have had the opportunity to attend college during the Depression, Doris and her husband, Earl, have “paid it forward” in multiple ways. After raising four sons, they embarked on 25 years of volunteerism in developing nations.

### *A reliable income supplement*

Finally settling back at home, they considered ways they might fund their retirement. Their plan includes a charitable gift annuity with Webster. Doris and Earl consider the income it provides a blessing.

Just as important to Doris is the knowledge that anything remaining in their annuity plan will eventually strengthen Webster’s largest endowed scholarship fund,

The Sisters of Loretto Founders Scholarship, in honor of the Sisters who provided Doris’ scholarship.

### *Providing opportunities for students*

Doris has watched her all-female college transform into today’s international university with loving affection.

“In life,” she says, “you either progress or regress.” She adds, “Webster has certainly elected to progress, providing opportunity to students around the globe!”

Watch and listen as Doris shares her Webster story in her own words at [www.webster.edu/donors](http://www.webster.edu/donors).

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### Inside:

- Common myths about wills and estate plans.
- Is your will up to date? Take this quiz!
- Take advantage of 2012 gift, estate and capital gains tax rates before the uncertainty of 2013.



# Common Myths About Wills and Estate Plans

## If You Don't Have a Will...

- State laws dictate that no one outside your family can receive your property.
- Family members receive predetermined shares, regardless of need or merit.
- No causes or organizations can receive any of the property you may have intended for charitable use.

### 1. Only wealthy people need an estate plan.

Wrong. If you have any property at all, you need to plan carefully... even if your estate is modest, your heirs few and your wishes simple. Protecting a small estate is important because settlement delays and confusion usually mean more expense where it may be least affordable.

### 2. Only someone with dependents needs to make plans for the distribution of assets.

Wrong. Even someone with *no* dependents needs an estate plan if he or she has any property at all and wants to decide who receives it. A will can sometimes cut delays and probate costs, waive certain expenses and help reduce taxes.

### 3. When people die without wills, state law usually distributes their property in about the same way they would have.

Wrong. Since there is no way for the state to know someone's wishes, it distributes property according to an all-purpose plan. Generally children receive equal amounts regardless of differing needs or circumstances, and no provisions are made for gifts to special friends or favorite charities.

### 4. A good estate plan, professionally made, rarely needs revision.

Wrong. Periodic reviews are advisable since so many changes occur throughout life. Children grow up. Beneficiaries and executors can predecease you, move away or become estranged. Estate values can increase or decrease. Tax laws change. Charitable wishes may alter over time.

### 5. Charitable bequests come mainly from people who have no close relatives or whose estates are so large that there is plenty left over.

Wrong. People with modest estates often discover they can give meaningful gifts to charitable interests and still arrange generous provisions for dependents and loved ones.

Consider Mary Smith who provides \$100 each year to Webster's scholarship fund. Through her estate, she can provide a small bequest to Webster's permanent endowment. The bequest might be \$2,000 or \$5,000, or a small percentage of her estate. Annual earnings from the bequest will sustain her annual gifts in perpetuity.

### 6. It is expensive to have an attorney draw up your will and often hard to find out just how much it will cost.

Wrong. Attorneys expect to be asked and to quote fees in advance. The fee for their work and advice can be a minimal expense when measured in terms of the taxes and other expenses a well-drafted will and other plans can save your heirs.

Procrastination in making your long-range estate and financial plans may be the greatest threat to your economic security and that of your loved ones. Act now to assure that your estate costs are minimized and your wishes are followed. Discover new opportunities that can help reduce taxes and other expenses while benefiting you, your loved ones and Webster University.

# Test Your Knowledge

Are you certain your will is in shape and up to date? Take this quiz and see!

1. Do you have a will or living trust to direct the distribution of property at death?  Yes  No
2. Is the makeup of your family the same as when you last reviewed your plans?  Yes  No
3. Do you live in the same state as when you last updated your will and/or other plans?  Yes  No
4. Is the total value of your assets approximately the same as when you last reviewed your plans?  Yes  No

5. Have you provided for those who need temporary financial assistance (e.g. education of children or grandchildren)?  Yes  No

6. Are all the people and charitable interests that are important to you mentioned in your plans?  Yes  No

If you answered **No** to one or more of these questions, you may need to review your plans. Professional advisors who specialize in such matters can offer advice and help to coordinate various parts of your plan.



## Act Now to Avoid the Uncertainty of 2013

There has been much debate in Congress and on the election trail about the possible elimination of the charitable deduction as well as other benefits for taxpayers who itemize. With the continued uncertainty that may or may not be resolved before the end of the year, it is important to take advantage now of tax incentives while they remain in place.

Topic	2012	Scheduled for 2013
Estate tax exemption	\$5.12 million	\$1 million
Income tax rates (maximum)	35%	39.5%
Annual exclusion	\$13,000	Indexed to nearest \$1,000
Gift tax rate (maximum)	35%	55%
Gift tax exemption	\$5.12 million	\$1 million
Capital gain tax rate (maximum)	15%	20%

## What Are Your Goals?

Your plans for the future might include the following:

- Peace of mind
- Providing for loved ones
- Remembering special friends
- Making a gift of a lifetime

Your desire to benefit your charitable interests can be a vital part of your plans. Charitable gifts can be included in your estate plan, sometimes with welcome benefits to you and your loved ones. Please contact us for more information.

## Simple Transfer of Assets

Did you know that you can transfer assets to heirs and/or charitable interests, such as Webster University, through beneficiary designations? Examples include certificates of deposit (CDs), life insurance policies and retirement plan accounts, where, at death, funds left in the account are transferred directly to the beneficiary you designate. Generally, these funds pass outside of probate, therefore providing a prompt and simple transfer of assets. All that is usually required is for you to contact your bank or other financial service provider and complete a simple form. (The Webster University tax identification number: 43-0662529)

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Through interactive examples, you can explore the advantages of giving stocks and other non-cash property by visiting our planned giving website at <http://webster.givingplan.net>.



Ken Nickless

Our gift planning staff is available to respond to your questions and prepare illustrations specific to your needs. Please contact, without obligation:

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[www.webster.givingplan.net](http://www.webster.givingplan.net)



## For more information...

- I would like to learn more about making a gift
  - through my will or living trust  of life insurance
  - of retirement plan remainders  of securities
  - of real estate  that provides me, or loved ones, with income.
  - that benefits Webster for a period of years, then is returned to me or family members.

Name *(please print)* \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone *(optional)* \_\_\_\_\_

E-mail *(optional)* \_\_\_\_\_

- I would consider including Webster University in my estate plans.
- I have already included Webster University in my estate plans.
- I am interested in making a gift to the University's Annual Fund and would like a University representative to contact me.

*This information will be kept strictly confidential*

FOLD AND SEAL (DO NOT STAPLE) FOR MAILING.



PLACE  
STAMP  
HERE

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