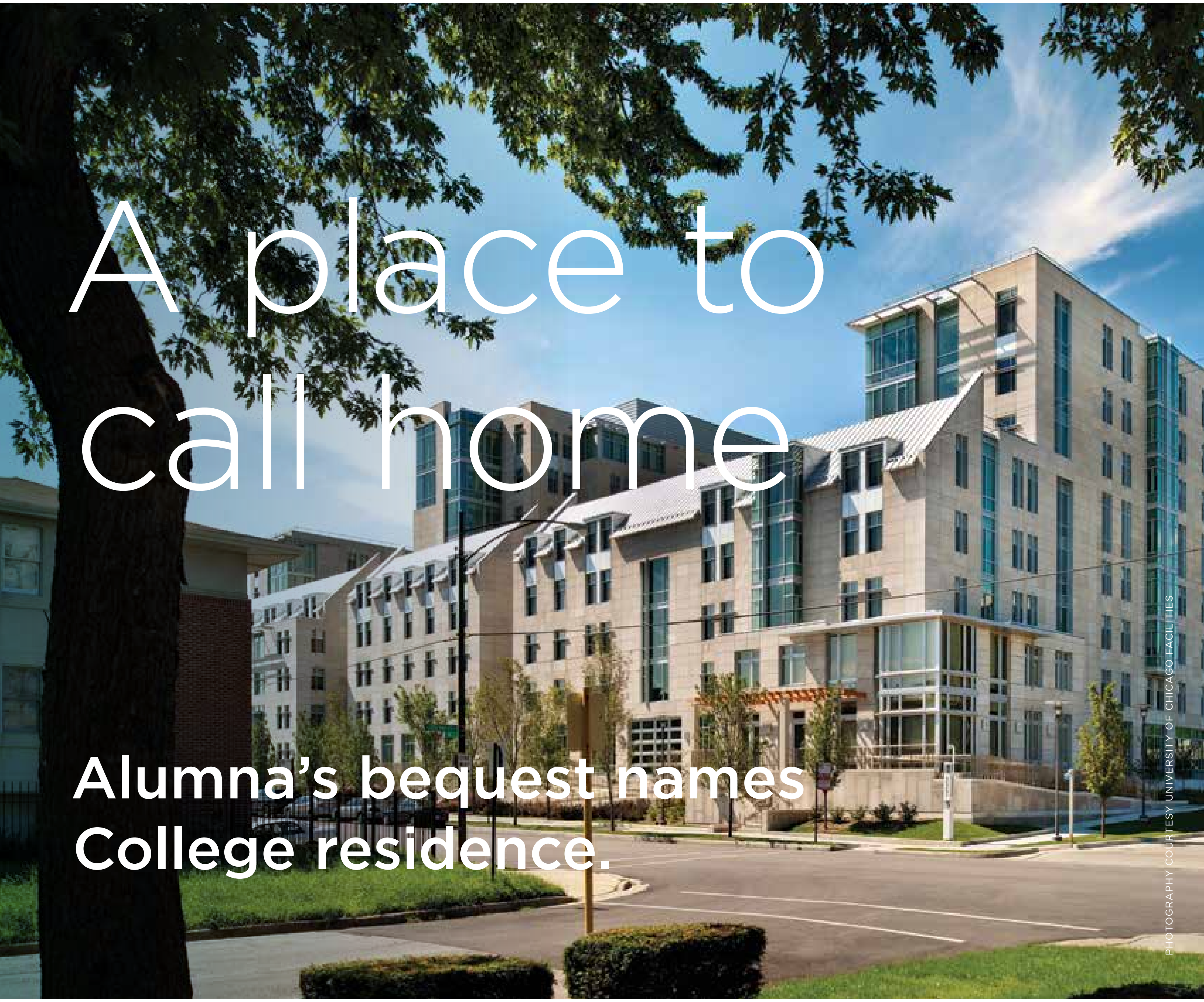
BUILDING FOR THE FUTURE

GIFT PLANNING OPPORTUNITIES AT THE UNIVERSITY OF CHICAGO | SPRING 2015



A place to call home

Alumna's bequest names College residence.

PHOTOGRAPHY COURTESY UNIVERSITY OF CHICAGO FACILITIES

MAKE YOUR MARK | PLAN A GIFT | LEAVE A LEGACY

Raise a glass

Students celebrate Renee Granville-Grossman, AB'63, whose recent bequest enhances College residential life.

In honor of the largest bequest the University has ever received, the South Campus Residence Hall has been renamed Renee Granville-Grossman Residential Commons.

Granville-Grossman, AB'63, died in 2012 and directed $44 million to the University. Her gift, says University president Robert J. Zimmer, "will help ensure that we can provide and enhance the distinctive opportunities of the College for future generations."

Renee Granville-Grossman Residential Commons, which opened in 2009 at 60th Street and Ellis Avenue, is the University's largest residence hall, housing more than 800 students. Students study and socialize in lounges, common areas, a reading room, and an expansive interior courtyard, and they eat in the airy Arley D. Cathey Dining Commons.

The facility grew out of a vision for undergraduate housing dating to the 1920s. Then president Ernest Burton proposed a residential quadrangle stretching south of the Midway Plaisance between Woodlawn and Ellis Avenues. At the time most students lived off campus. Plans for the project were drawn up but never realized.

More recently, dean of the College John Boyer, AM'69, PhD'75, revived that vision, leading the effort to build a vibrant, densely integrated campus culture and an enhanced College experience. In 2001 Max Palevsky Residential Commons opened north of the Regenstein Library. In addition to Granville-Grossman, another major residence hall on the north end of campus is slated to open in 2016.

Granville-Grossman's gift, Boyer says, "is a wonderful expression of the critical importance of residential life to the central mission of the College."

Granville-Grossman, formerly Rupert, grew up in Chicago's Kenwood and South Shore neighborhoods. Her mother, Aimee Heineck Rupert, PhB'28, and her mother's four siblings all attended the College, fulfilling the wish of their father, Aime Heinick, who attended in 1910–11. Renee,

Granville-Grossman worked as a stockbroker before marrying a real estate developer and moving to London. She left the University $44 million.

who lived at home during college, spoke fluent French and majored in linguistics. A member of the Esoteric Club, she was a finalist for the 1961 Miss University of Chicago pageant.

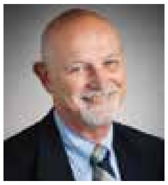
Granville-Grossman went on to Columbia University's Teachers College in New York and taught elementary school before becoming a stockbroker. In 1981 she married British real estate developer Leonard Granville-Grossman, an avid art collector, and moved to London. Together they built a collection of primarily 20th-century British art, a passion Granville-Grossman continued after her husband died in 1994.

PHOTOGRAPHY BY ROBERT KOZLOFF, ILLUSTRATION BY ALLAN BURCH

Leaving an inheritance

An alumnus offers practical tips for gifting your loved ones.

Request a free estate planning organizer at tinyurl.com/contactogp



Tim Emmitt, JD'65, an expert in estate planning and inheritance in the Chicago office of Clark Hill PLC, offers advice for both leaving and accepting an inheritance. When we spoke with Emmitt, a fellow of the American College of Trust and Estate Counsel since 1985, he was looking forward to his 50th Law School reunion in May.

BIGGEST MISTAKES HE SEES IN WILLS: Not being clear on exactly what the testators' intentions are, specifically if they want to leave a gift to a person and don't want it to go to his or her children if that person predeceases them. You should say, I want to give X amount to John Smith *if he survives me*. Make it conditional.

Not getting the proper name of a charitable beneficiary. There is no "the Salvation Army." There are all kinds of regional and metropolitan branches. If you're talking about a college, **you need to say if you have a specific cause in mind**—scholarships or a specific school or general purposes.

GIVING AWAY YOUR CAR COLLECTION? If the asset is out of the ordinary—farmland or art collections—you require somebody well seasoned in trusts and estates to help. We advise the testator to **talk with the beneficiaries, ask if this is something they would keep up and enjoy.** If not, think of a different disposition: a museum or other entity.

Even if it's just a stock portfolio, a lot of children haven't had the experience of accumulating a portfolio. They might not be prepared to think how it should be rebalanced in the future.

In my generation you didn't talk to your kids about your wealth. Now we try to encourage people to talk to their beneficiaries. If you have a closely held business, find out who wants to go into it and who wants to do something else.

DEATH AND TAXES: It used to be a lot of what we did was make arrangements to put people's property where it could go without the federal government and state getting an extraction. That's not as much a part of it now that the government [in 2010] increased the federal estate tax exemption from $1 million to $5 million per person, indexed for inflation. **Now it's $5.43 million that you can own at death without having to pay a federal tax.**

However, income taxation is still a concern, and there are ways to lower your current tax burden and benefit a charity or educational institution without dying *(see FAQ in this issue for more).*

KEEP A LITTLE CONTROL: You can keep the property in trust, managed by a trustee you designate—a bank, a trust company. They give the beneficiaries professional management, make investment decisions. But there is a fee.

We prepare trusts for people whose children have special needs, a drug addiction, or other issue. **The trustee doles out funds based on instructions you've set up.** We also do incentive trusts. The person says, My child has the potential to be a brain surgeon. I'll give him a bonus of $100,000 when he graduates college, $500,000 after med school, and $1 million when he becomes board certified. Or the child wants to do good works—be a missionary, teach in inner city schools. The parents set up a trust to say as long as my child is doing this thing, they get a stipend. They can add a provision that if certain conditions are not met, the trust defaults to their favorite charity.

AVOID SIBLING SPATS: The thing we see the most is arguing about things that aren't significant monetarily but have emotional baggage. Nothing brings out sibling rivalry like, "I don't know why mom gave you those pearls."

Specific bequest items also promote a lot of argumentation. If you're going to give away a ring, you need to describe it—the diamond ring, the string of pearls with 30 beads, the double strand. **Don't say "the one grandma gave me"** because not everyone knows.

USE A PROFESSIONAL: I strongly suggest that people who have any significant wealth work with people highly qualified in the trusts and estates business. **Ask for their credentials: what organizations they belong to, whom they've done business with.** Unless they do exclusively trusts and estates, I would tell a client to be careful.

RELATED GLOSSARY: A FEW GIFT PLANNING TERMS TO KNOW

Annuitant An individual who receives payments from a charitable gift annuity for the duration of his or her lifetime.

Income Beneficiary An individual who receives distributions from a charitable remainder trust.

Payout Rate The rate paid on a charitable gift annuity, suggested by the American Council on Gift Annuities.

Testator A person who leaves a will or testament upon death.

A family tradition

UChicago connections and generosity inspire Bruce and Diane Fenster to leave a gift of scholarships.

PHOTOGRAPHY BY ANDY MANIS

> "People there were valued for what they knew—not only about medicine but about everything."
>
> —DIANE FENSTER, MD'78

For Bruce and Diane Fenster, both MD'78, the University of Chicago feels like home. To mark its significance in their lives, in 2014 they funded a deferred charitable gift annuity that will support scholarships in the Pritzker School of Medicine.

Diane's family has a long association with the University. When her father, Wesley Keith Lind, SB'48, was studying chemistry there, he would meet her mother, Inga, for lunch on the Midway during her work breaks from Billings Hospital's x-ray department. According to Inga, Wesley's brother Carl Roger Sandberg, SM'40, worked on the Manhattan Project. As a child in suburban Chicago Heights, Diane took the train to Hyde Park to visit the Oriental Institute.

Diane and Bruce met during medical school. Bruce enrolled at UChicago planning to return to his native New York, but he fell in love with the Midwest and stayed. After graduation the couple, who married after their third year (one of seven married pairs from their class), matched together for residencies in Cincinnati, then moved to Green Bay, Wisconsin, where they've been physicians—Bruce an internist, Diane a pediatrician—ever since. They remain close with their medical school class and come back for every reunion.

Diane, who came from working-class parents, appreciated that the University added to her scholarship support every year. "It wouldn't have been impossible to go to med school without a scholarship, but it would have been a challenge," she says. Bruce's father had retired when he enrolled. The University, he says, "let me declare financial independence so I qualified for scholarship money."

While they were students, money didn't consume them. "At the University of Chicago, it was all about the mind," Diane says. "People there were valued for what they knew—not only about medicine but about everything. How much money you had or where you came from had nothing to do with it."

When their son Michael, MD'14, followed in his parents' medical school footsteps, he received scholarship money as well. At Michael's graduation, Diane got to march with him and put his hood on. "She and Bruce flipped for the honor," grandmother Inga says. "She won."

Giving back in the form of scholarships seemed like a natural step. "I know that there are people whose parents aren't doctors and don't have the money," Diane says. "And if they are qualified to go to the University of Chicago, money shouldn't be what stops them."

GIFT ANNUITY RATES

American Council on Gift Annuities current rates*

Age	Immediate payment	Deferred 5 years	Deferred 10 years
45	N/A	N/A	5.5%
50	N/A	4.7%	6.1%
55	4.0%	5.2%	6.5%
60	4.4%	5.5%	7.0%
65	4.7%	6.0%	8.0%
70	5.1%	6.8%	9.4%
75	5.8%	8.0%	10.7%
80	6.8%	9.1%	12.4%
85	7.8%	10.6%	12.4%
90+	9.0%	10.6%	12.4%

*Recommended by the American Council on Gift Annuities and effective January 1, 2012.

FOR MORE INFORMATION ABOUT GIFT ANNUITIES, VISIT GIFTPLANNING.UCHICAGO.EDU.

FAQ

Charitable gift annuities v. charitable remainder trusts

The Office of Gift Planning answers common questions about life income gifts.

Estimate the benefits of a life income gift at tinyurl.com/calcincome

You can make a gift to the University and increase your future income at the same time. In both charitable gift annuities (CGAs) and charitable remainder trusts (CRTs), the donor transfers assets to the University in exchange for quarterly income payments. The donor receives a tax deduction and other potential tax savings. The remaining funds transfer to the University upon the death of the final income beneficiary.

What are the differences between a CGA and a CRT?

CGAs offer the security of fixed payments to one or two annuitants, guaranteed by the University. CRTs provide variable payments to beneficiaries but can offer a greater return with income for a lifetime, a term of years, or a combination of the two.

How much is needed to fund these gifts?

A minimum gift of $10,000 funds a CGA. A CRT requires $100,000.

What assets can I use to fund them?

You may use cash or securities (stocks, bonds, mutual funds). Repeat CGAs are easy to do; you may add assets to a CRT at any time. Sometimes CRTs can be funded with closely held stock or real estate. Both vehicles can turn low-yield assets into income-producing ones.

How is the income amount determined?

CGA payout rates are determined by the annuitant's age, and payments are fixed at the time of establishment. CRT rates are negotiated with the donor, typically around 5 percent. Payments vary with the annual value of the trust.

When will I receive the income?

Income is paid quarterly after the gift is established. To receive payments, you must be at least 55. Payments from a flexible or deferred CGA can be delayed until a future date, such as retirement, which can result in a larger tax deduction and a higher payout rate.

If I don't need the income, can I fund a CGA or CRT to benefit someone else?

You can direct payments toward a spouse, child, or other beneficiary.

IN MEMORIAM

The Office of Gift Planning recognizes the following individuals who made significant contributions to the University through planned gifts. Their legacies of generosity and commitment to academic excellence live on through the programs they supported.

Fay Ajzenberg-Selove, friend of the University and widow to the late Walter Selove, SB'42, SM'48, PhD'49, left a bequest to support the Walter and Fay Selove Prize, to benefit outstanding undergraduates engaged in summer research programs in physics, astronomy, and astrophysics.

Lalitha Chandrasekhar, widow of Morton D. Hull Distinguished Service Professor Subrahmanyan Chandrasekhar, left a bequest to fund endowed fellowships in the Departments of Sociology and Physics.

Katherine Bethke Doak, AB'40, left an unrestricted bequest to the University.

Alan J. Garber, LAB'42, PhB'47, established a fund in memory of his late wife, Beatrice B. Garber, SM'48, PhD'51, to benefit the Dean's Discretionary Fund in the Division of the Biological Sciences.

Lucille Hyatt Hubbard, SB'47, left a bequest to fund endowed scholarships in the College.

Mark C. Mamolen, JD'77, left a bequest to provide unrestricted support for the Law School.

Associate professor emeritus in the Division of the Humanities, the Committee on Ideas and Methods, and the College **Leonard K. Olsen**, AB'36, left a bequest to establish an endowed fund to benefit the Division of the Humanities.

Peter G. Tribby, AB'59, MBA'60, provided a bequest to establish the Peter G. and Ilse Ingrid E. Tribby Memorial Fund to support scholarships at the College.

John O. Tucker, MBA'68, left a bequest to benefit the Dean's Discretionary Fund at Chicago Booth.

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TIP: A GIFT OF APPRECIATED STOCK MUST BE DIRECTLY TRANSFERRED TO THE UNIVERSITY IN ORDER TO AVOID CAPITAL GAINS TAX.

THE UNIVERSITY OF CHICAGO | Office of Gift Planning

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Strength in numbers

The Phoenix Society has committed to increasing membership to 1,800 by the close of the **University of Chicago Campaign: Inquiry and Impact** in 2019. Join us in this historic campaign to ensure that UChicago remains one of the world's greatest centers of discovery, education, and influence for generations to come.

Become a member today by making an estate or planned gift to benefit UChicago.

Visit **phoenixsociety.uchicago.edu**, email **phoenixsociety@uchicago.edu**, or call **866.241.9802**.

THE UNIVERSITY OF CHICAGO CAMPAIGN
INQUIRY & IMPACT

GOAL
1,800 members

CURRENT PROGRESS
1,460 members
AS OF APRIL 2015

In this issue