

CHICAGO AS A BENEFICIARY

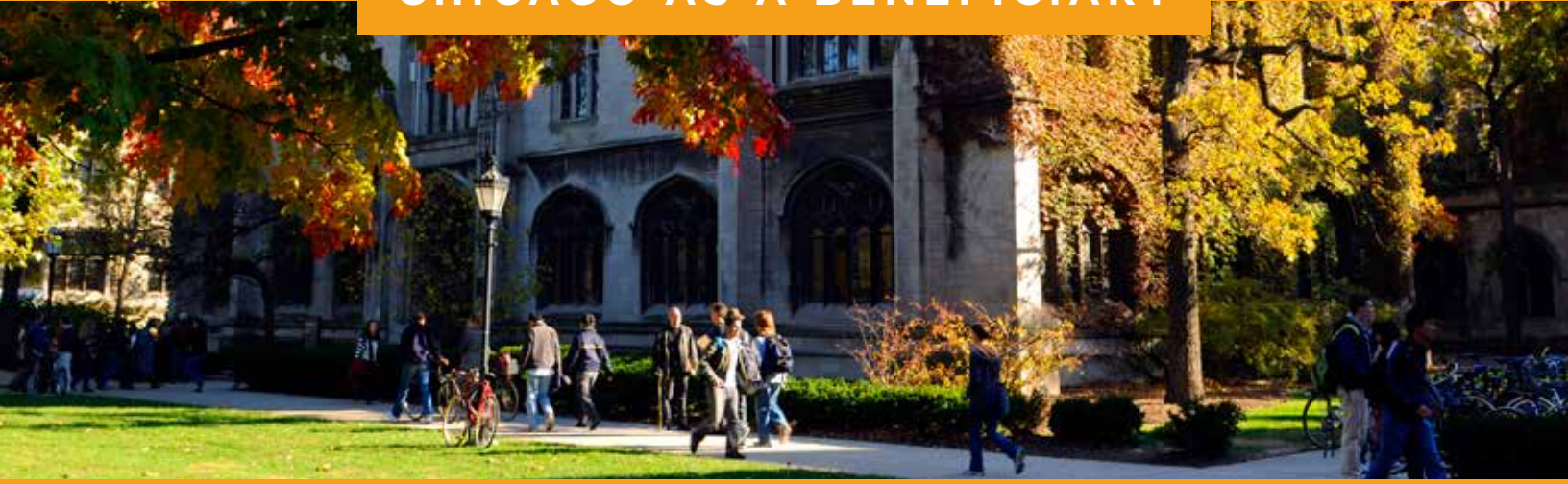


PHOTO BY DAN DRY

SIMPLE GIFTS FROM YOUR ESTATE

This brochure presents some simple, satisfying ideas for making gifts through your estate plan—without changing your will or living trust. These gifts generally avoid probate and may also save income taxes or “death taxes” on your estate.

GIFTS OF RETIREMENT DEATH BENEFITS

The University of Chicago can be named as a beneficiary of retirement savings plans. Alumni and friends who participate in pension plans, individual retirement accounts (IRAs), 401(k) plans, and other qualified retirement savings plans have an opportunity to make important gifts through a simple beneficiary designation.

Naming the University as a beneficiary of a retirement account may also be good tax planning. Income taxes—and possibly “death taxes”—that may come due at death are wholly avoided. You can name Chicago as beneficiary of part or all of your account simply by requesting a form from the plan’s custodian.

NOTE: Married persons will need a spousal consent form if they wish to name anyone other than the spouse as death beneficiary of a qualified retirement plan. This requirement does not apply to IRAs.

GIFTS FROM FINANCIAL ACCOUNTS

Ruth and Deborah were sisters who maintained a joint savings account. After Ruth died, Deborah became the sole owner of the account. Deborah would like to arrange matters so that, when she dies, anything left in the savings account will be given to the University as a memorial to herself and Ruth.

Generally speaking, it’s possible to pass bank account proceeds to an individual or organization without making or changing a will. Deborah can ask the manager of her bank what procedure would be appropriate for naming the University as the death beneficiary of her account.

Many states allow so-called POD (pay on death) accounts that let you name a beneficiary of almost any financial account: savings, checking, CD, credit union savings, etc. You can indicate that your deposit will be payable on death to any charitable, educational, or religious organization and keep the right to change or revoke the arrangement at any time.

If POD accounts are not used in your area, you may be able to employ a Totten Trust or “self-declaration trust.” These are bank deposits that you have indicated to be “in trust for (a named beneficiary).” Upon death, an “absolute” trust comes into existence and the balance on hand passes to your beneficiary—which can be an institution you wish to support. Ask your account manager how beneficiaries can be named.

THE OFFICE OF GIFT PLANNING

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THE UNIVERSITY OF
CHICAGO

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LIFE INSURANCE BENEFICIARY

Life insurance, in addition to providing family protection and peace of mind, offers a multitude of other benefits. There are several ways it can be a means of supporting the University after your lifetime.

You can keep lifetime ownership rights in a policy (the right to borrow against the policy or cash it in, for example) but name the University as the beneficiary. Your estate will be entitled to a charitable deduction for the proceeds passing to us. If you prefer, you can name Chicago as contingent beneficiary of a life insurance policy; the University would receive the proceeds only if your primary beneficiary died before you. Or you can make the University the co-beneficiary and share insurance proceeds.

TRANSFERRING SECURITIES

Securities that are being held for you in a brokerage account can be transferred to the University at death through a “TOD” (transfer on death) designation. Your broker can provide you with simple forms on which you can name us as a beneficiary. Securities transferred from your estate for our benefit will be free of income taxes and federal estate taxes and will pass outside probate.

THE PHOENIX SOCIETY—SHOWING OUR GRATITUDE

The Phoenix Society recognizes donors who support the University through an estate commitment (including beneficiary designations) or life-income arrangement. Members of the Phoenix Society receive a special memento and are invited to exclusive University events. We are also proud to recognize our members in an annual Honor Roll of contributors (unless anonymity is requested).

FOR MORE INFORMATION

For more information about naming Chicago as a beneficiary, visit giftplanning.uchicago.edu, or contact the Office of Gift Planning at 866.241.9802 or giftplan@uchicago.edu.

These materials are intended to provide general information that we hope will be helpful to you in your tax, estate, and charitable planning. It is not intended as legal advice and should not be relied upon as legal advice. Figures, calculations, and tax information are based on federal tax laws, regulations, rulings, and rates applicable at the time such information was prepared and are for illustration purposes only. Individual state laws may have an impact on the availability of gift annuities. For advice or assistance with your particular situation, you should consult an attorney or other professional adviser.