

BEQUESTS & RETIREMENT PLANS

Plan today to make a future impact.

James B. Duke had the foresight and ambition to leave an estate gift that transformed Trinity College into Duke University in 1924. Since then, generations of donors have similarly made bequests to this special institution. While most of those gifts have been more modest than Mr. Duke's, all of them – whatever the amount – have had an important impact on campus.

Charitable bequests are planned gifts made through provisions in a will or an estate plan. These flexible strategies offer multiple benefits that may help you achieve your personal and financial goals. These types of gifts also provide vital support for the Duke students, faculty, departments and programs that matter most to you. Bequests help Duke to carry forth its mission of delivering critical research, educating students, addressing local and global challenges, and caring for patients.

Bequest Options

- Include Duke in your **will** or **revocable trust** – also known as a **living trust**.
- Name Duke as a primary or contingent beneficiary of your **retirement plan**.

Benefits

For you

- Contribute any dollar amount or percentage of your estate.
- Retain control of your assets in case you need them.
- Revise plans as your financial needs and goals change over time.
- Direct the funds to support the Duke students and programs most important to you.
- Gain potential tax advantages.

For Duke University

- Provide future support for one or multiple areas and programs at Duke.
- Sustain Duke to carry forth its mission to deliver exceptional research, education and patient care.
- Create or add to an existing permanent endowment in your name or in memory of a loved one.

How it works

Watch our ***Unwrapping Gifts: Bequests and Retirement Account Designations*** video to see Phil Buchanan, former senior philanthropic counsel, describe how these types of gifts provide flexibility while supporting Duke University. Visit bit.ly/ugvbequest or click to watch the 3-minute video.



How to get started

1. **Contact Duke's Office of Gift Planning** to begin exploring the types of planned gifts that may be available to you.
2. **Discuss charitable bequest options with your personal financial and legal advisors** to determine if they are right for you.
3. **Make a bequest to Duke.**
 - To add Duke in your will or revocable trust**, be sure to include the appropriate language in your will or trust documents. See the sample bequest language below.
 - To name Duke as a beneficiary of your retirement account**, simply complete a beneficiary designation form provided by your plan administrator, often online.
4. **Complete a Duke Legacy Confirmation form.** This non-binding form provides documentation to ensure your gift to Duke is used according to your wishes when it is received by the university.

Some factors to consider

Sample bequest language to include Duke in a will or revocable trust

The following language is an example of how a bequest to benefit Duke may be worded, for review by you and your attorney.

I give, devise and bequeath to Duke University, a qualified 501(c)(3) charitable organization located in Durham, North Carolina, _____ percent of my residual estate (or a specific bequest of \$_____) for (a specific college, school or program), to be used in accordance with the terms of the most recent written directive I have signed with the University, and, if none exists, to be used as directed by the (e.g. President, Provost, Athletic Director, Dean of the School of _____) at Duke University.

Some factors to consider *continued*

Naming beneficiaries for retirement plan accounts

When assets are left to heirs:

For many Americans, retirement plans such as IRAs and 401(k)s represent a significant portion of their net worth. Yet these plans are generally not given favorable tax treatment upon the death of their owner. In fact, such assets may be taxed twice:

- First, these assets may be subject to federal estate taxes as high as 40 percent (plus state estate taxes in some cases).
- Second, these assets may be subject to income tax when withdrawn by heirs. Heirs with high incomes may have a combined federal and state marginal tax rate of 40 percent or more.

This combination of taxes can consume two-thirds or more of a retirement account.

When retirement plan assets are left to charity, neither estate nor income, taxes are imposed. Thus, 100 percent of a retirement plan left to Duke will be received by the university and can be applied to the area(s) most important to you.

Example of a tax treatment of \$100,000 IRA assets left to heirs vs. left to Duke

	INITIAL AMOUNT	ESTATE TAX	NET AFTER ESTATE TAX	INCOME TAX	NET AFTER INCOME TAX	NET% AFTER TAX
To Heirs	\$100,000	(\$40,000)	\$60,000	(\$24,000)	\$36,000	36%
To Duke	\$100,000	\$0	\$100,000	\$0	\$100,000	100%

Assumptions: Donor subject to federal estate tax; heirs subject to combined federal and state income tax marginal rate of 40 percent. State inheritance taxes are not considered here.

Connect with us to get started

Duke University's Office of Gift Planning has charitable planning experts available to work with you and your financial advisors to explore charitable giving strategies that support your financial goals now and in the future.

EMAIL: giftplanning@duke.edu

PHONE: (919) 681-0464

WEBSITE: giving.duke.edu/giftplanning

BLOG: giving.duke.edu/blueprints

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