

## BENEFICIARY DESIGNATIONS

# A direct approach to planned giving

Beneficiary designations are a straightforward and high-impact way to allocate specific assets such as retirement plans, life insurance, and donor advised funds to your favorite charity—like Duke! This powerful planned giving strategy offers potential tax advantages and flexibility.

### BENEFITS

#### *For you*

- Potentially reduce tax burdens on retirement account transfers.
- Make changes to beneficiary designations at any time as needs arise.
- Allocate specific amounts or percentages to different organizations.
- Support the areas and programs at Duke you care about most.

#### *For Duke*

- Provide future support for one or more areas at Duke.
- Sustain Duke to carry forth its mission to deliver exceptional education, research, and patient care.
- Increase Duke's capacity to make a positive difference in the lives of students and the broader community.

### WHAT ARE MY OPTIONS?

- **Retirement Accounts:** Designate Duke to receive all or part of your retirement account balance, potentially reducing the taxable burden on your heirs.

**Consider this example:** Sarah would like to leave \$100,000 to her brother John and \$100,000 to Duke, at her death. If she left \$100,000 to John from her traditional IRA, then he would owe taxes on that amount, leaving him less to enjoy. Alternatively, if Sarah names Duke as the beneficiary of her IRA, the university will receive the full \$100,000 without owing taxes. She could leave the gift to John through her will instead, a gift he could receive tax-free. This plan would accomplish

her goals while reducing taxes and maximizing John's benefit.

Furthermore, if Sarah is subject to estate taxes then designating her brother may also result in that second layer of taxation, whereas a gift to Duke may avoid income and estate taxes.

Designated IRA Beneficiary	John	Duke
Amount of IRA gift	\$100,000	\$100,000
Income taxes	(\$30,000)	(\$0)
<b>Net amount to beneficiary</b>	<b>\$70,000</b>	<b>\$100,000</b>

- **Life Insurance:** Many people own old life insurance policies that are no longer needed – such as policies originally purchased to protect children who are now financially self-sufficient. A policy holder can name Duke as a beneficiary, transforming the policy into a high-impact gift at Duke.
- **Donor Advised Funds:** In addition to recommending grants during your lifetime, you can also name Duke as a beneficiary to receive all or part of the remaining donor advised fund balance after you pass away.

## HOW TO GET STARTED

---

1. Consult with your financial advisor to be sure this plan is a good fit for you.
2. Contact the financial institution holding the asset for a change-of-beneficiary form.
3. Decide the percentage of the account value you wish to designate to Duke.
4. Name Duke as a beneficiary.
5. Submit the completed form to the institution.
6. Inform Duke of the planned distribution.

## MAINTAINING YOUR DESIGNATIONS

---

Be sure to review your beneficiary designations periodically as part of your overall estate planning. This ensures that your assets are distributed according to your current wishes and circumstances.

### CONNECT WITH US TO GET STARTED

---

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

**EMAIL:** [giftplanning@duke.edu](mailto:giftplanning@duke.edu)

**WEBSITE:** [giving.duke.edu/giftplanning](http://giving.duke.edu/giftplanning)

**PHONE:** (919) 681-0464

**BLOG:** [giving.duke.edu/blueprints](http://giving.duke.edu/blueprints)

*This information is provided with the understanding that neither Duke University nor the authors are providing legal, accounting, or other professional advice or counsel. Please consult your personal counsel about the financial, tax, and legal implication of any gift.*