

FOREVER LEWIS

◆ SPRING 2020 ◆

GIFT AND ESTATE PLANNING IDEAS
FOR ALUMNI AND FRIENDS OF
LEWIS UNIVERSITY



From Textbooks to Travel

How a Scholarship Came to Be

Ken Madrzak '74 believes that the key to success is hard work. His hard work allowed him to retire early and travel the world with his wife.

His success also allows him to give back to Lewis, a place Ken considers a second home, a place that gave him the direction he needed to have a successful career.

"I am grateful to Lewis and would like others to have the same opportunity I had," says Ken, who worked full-time during his college years. With a wife and three children at home, he took the train into work every day and hurried to Lewis for his night classes, getting home just in time to kiss his kids goodnight. On the weekends, he was in the Lewis library studying.



Ken Madrzak '74

For Ken, the sacrifice was worth it—and his devotion to bettering his education will now provide equally hard-working students with some financial relief through an endowed scholarship. "The endowed scholarship and my additional provisions in my estate plan will help me pay it forward for the many gifts God has given to us. It's my way of showing my appreciation for my love of Lewis," says Ken.

Ken's motivation to pave a path for future students began with Dr. Joan Carpenter from the Lewis College of Continuing Education. She helped Ken, a young father at the time, find financial aid—something he never forgot.

It also helps that he and his wife of 53 years, Linda, have been savers their whole lives. "If either of us got a raise, we would take half of that and put it away. We always underspent. While other people had new Cadillacs every few years, we drove around in the same old cars. But, that allowed us to retire at 57

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The Living Trust: Partner to a Will

The **revocable living trust** has become a common means of transferring property between generations.

The concept is quite simple. When you establish a trust, you create an artificial “owner” for the property placed in the trust. The trust becomes the owner of property to be managed for your own benefit or the benefit of your loved ones.

With the trust in place, your assets and/or income are managed by a trustee according to the terms you set. You can be the trustee yourself or appoint another to serve in that capacity.

You can change or revoke your living trust at any time. (That is why it is referred to as “revocable.”) Unlike a will, trusts are not generally filed as public documents so more privacy can be maintained if desired.

A will as backup

Having a will in place is probably a wise choice even if you decide to make use of a living trust, joint ownership or other arrangements to handle the majority of your estate distribution.

Frequently, a “pour-over” will is used in conjunction with a living trust and/or other ways of transferring assets. For example, it may not be convenient to place household items and valuables such as collections, jewelry and family heirlooms in a living trust. In the absence of a will, they will be disposed of according to state laws, as if you had no other plan.

A will can direct that any property not transferred in your trust “pour over” into the trust at the end of your lifetime and be distributed according to the trust provisions.

Charitable dimension

Remember that, like a will, living trusts function according to your instructions. If, for example, you would like to make charitable gifts using assets in a living trust, you must specify in the trust the assets are to go to one or more charitable organizations. If you would like for your trustee to be able to make charitable gifts on your behalf this should be stated in the trust document as well.

...Textbooks to Travel

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and, to me, traveling the world is much more fun than driving in a shiny car.”

With the endowed scholarship in place, Ken feels his education has come full circle. “It’s important to keep learning as much as you can in life. That’s what I hope this scholarship will do—give students the opportunity to stay in school and focus on their education. Education doesn’t just create a strong career—it builds a strong future.”

To learn more about including Lewis in your estate plans, visit alumni.lewisu.edu/PlannedGiving.



Three Things to Remember About Beneficiary Designations

There is no doubt a will and a revocable living trust are vital tools when it comes to estate planning. What some people fail to realize, however, is that a large part of their estate will pass through beneficiary designations from life insurance policies, retirement accounts and other arrangements. Thus, it is important to carefully consider who best to receive these assets.

- 1. Understand the basics.** You can name beneficiaries for a broad range of assets, including retirement plans, annuities and financial accounts. When you designate a beneficiary, those assets will pass directly to that individual or organization; they will not need to go through the probate process, which can be costly. Generally, if you fail to name a beneficiary, your assets will pass either according to your will or according to state law if you have no will.
- 2. Don’t forget to review.** Beneficiary designations will override bequests directed in your will, so it’s crucial to review your beneficiary designations on a regular basis (along with your will and other estate documents). For example, Jane names her sister Sue as beneficiary of her IRA, but later names her brother, Harold, to receive the IRA in her will. The beneficiary designation will prevail, and Sue will receive the IRA.
- 3. Consider the tax consequences.** It’s wise to get professional advice when naming beneficiaries because some assets, especially retirement accounts, create income tax burdens for heirs. Those who own IRAs and other retirement accounts are often surprised to learn a large percentage of their accounts may be lost to estate and income taxes upon death, leaving little remaining for their heirs. Instead, you can leave all or a portion of an IRA to Lewis University and leave other assets to your loved ones. Simply contact the administrator of your IRA for a change of beneficiary form.



Ken and his wife, Linda

To learn more about beneficiary designations, return the enclosed card or contact Brandon Hoeft, Executive Director of Development, at (815) 836-5399.

Do You Know About IRA Gifts?

Did you know you can support Lewis University by making charitable gifts directly from your IRA? If you are 70½ or older, you may make gifts directly from individual retirement accounts (IRAs) to Lewis University. This is known as a qualified charitable distribution (QCD).

Why is a QCD such a good giving option?

- ▶ Giving directly from your IRA—rather than withdrawing these funds—won't increase your adjusted gross income or subject your Social Security income to more taxes.
- ▶ For the remainder of 2020, IRA owners may still make tax free QCDs to charity, even though required minimum distributions are suspended through the end of the year.
- ▶ QCD gifts can be especially advantageous for those who do not expect to itemize their deductions and for those whose deductions are limited.
- ▶ You may make QCD gifts in any amount up to \$100,000 per person per year or \$200,000 for a couple with separate IRAs. Because of recent tax law changes, you may be able to continue to add to an IRA after age 70½. If this is your situation, the amount of QCD gifts you can make will be reduced.*
- ▶ You will help support the students of Lewis University.

To learn more about this unique gift opportunity, please return the attached envelope or contact Brandon Hoeft, Executive Director of Development, at (815) 836-5399.

**As a result of the SECURE Act, if an individual with earned income continues to make deductible contributions to an IRA beyond age 70½, the individual's maximum QCD amount will be reduced by the amount of deduction claimed for an IRA contribution.*

Join the Harold E. White Legacy Society

The Harold E. White Legacy Society gratefully recognizes those thoughtful supporters who have included Lewis University in their estate plans. If you have included the University in your plans, please let us know so we may invite you to join this special group.

If you are considering including Lewis University in your will or other estate plans, you may want to provide your attorney with the following language:

"I give and bequeath _____% of my estate [or all the rest, residue and remainder of my estate] to Lewis University, Romeoville, Illinois, 60446, Tax I.D. #36-2167773, to be used for the general support of the University as its Trustees may deem appropriate."

MORE INFORMATION



Brandon Hoeft, JD, MBA, CFRE
Executive Director of Development
bhoeft@lewisu.edu
(815) 836-5399



One University Parkway
Romeoville, IL 60446
Phone: (815) 836-5813 • Fax: (815) 836-5641
www.lewisu.edu • www.alumni.lewisu.edu/PlannedGiving