

UNIVERSITY OF WISCONSIN-MADISON

Legacy

Your legacy.
Their future.

WINTER 2016



Wisconsin Legacy Society
UNIVERSITY OF WISCONSIN FOUNDATION

| The final task of estate planning



Dear Friends,

Lists. Some people love making them, while others do so reluctantly. This latest issue of *Legacy* describes one list for everyone to make—the final task of estate planning.

You of course want your assets distributed the way you intend—to family, friends and charitable organizations such as the University of Wisconsin Foundation. This issue outlines the comprehensive list you should make of documents and records, including commonly overlooked assets. You may also consider creating a Letter of Instruction, sometimes known as your “ethical will,” and think about disclosing information about your legacy gifts and the inspiration behind them with your family and the benefiting charitable organizations.

We hope this newsletter proves valuable as you plan. Please know that we are available to assist in your planning and that we welcome the opportunity to help.

Sincerely,

Scott T. McKinney, Chief Administrative Officer & Director of Legal Affairs

Having a will does not mean your estate plan is complete

So you have a will, maybe a living trust, a durable power of attorney, a directive to physicians, and you have done tax planning. You are to be congratulated.

Now there remains one final task that you may not have completed, and that is to assemble in one place all pertinent information regarding your legal documents and the assets you own. You will make life easier for those who follow you, and you will ensure that nothing you own is overlooked.



Winter paints a scene of white across the UW campus.
[Photo by Bryce Richter/UW-Madison]

Help your executor and family by ensuring all your records can be found

Imagine the challenge of an estate administrator who in the absence of any list of your documents and records must sift through hundreds of files and reams of canceled checks and old receipts. It is not surprising that some things you owned might not be discovered. The administrator may have difficulty even locating the originals of basic documents like a will or living trust agreement. If they are found, there may be no documentation of what was actually transferred to the living trust.

Among the assets commonly overlooked are insurance policies and retirement accounts. There may be an old paid-up policy that you forgot to mention. If you were still working, it may not occur to anyone to check whether you were covered by an employee-sponsored group life insurance policy. If you have had several employers, you may have vested funds in more than one retirement account but only mentioned the current, larger one.

There are also many other types of assets that could easily escape notice, such as a limited partnership interest, LLC shares, gold and silver bullion or coin collections in a second safe deposit box, off-shore deposits and investments and cemetery property.

To make sure that all of your documents and records can be found, make a comprehensive list of them and where each is located. It is recommended that the originals of your will and living trust reside in your attorney's office. You can keep copies in your personal file and your safe deposit box, and depending on how much you choose to reveal to your personal administrator in advance, you might also give that person a copy. Your list of documents and records should also include such things as an enduring power of attorney, medical directive, insurance policies, retirement plan contracts, titles and deeds, banking information, brokerage accounts, business agreements and loans payable to you and due from you.

By taking time to prepare this list, you will simplify the work of your executor and you will ensure that things you owned and treasured don't wind up sitting in some unclaimed property office.

As ever more business is conducted online, it is also important to list your digital property and accounts and passwords for accessing the various sites.

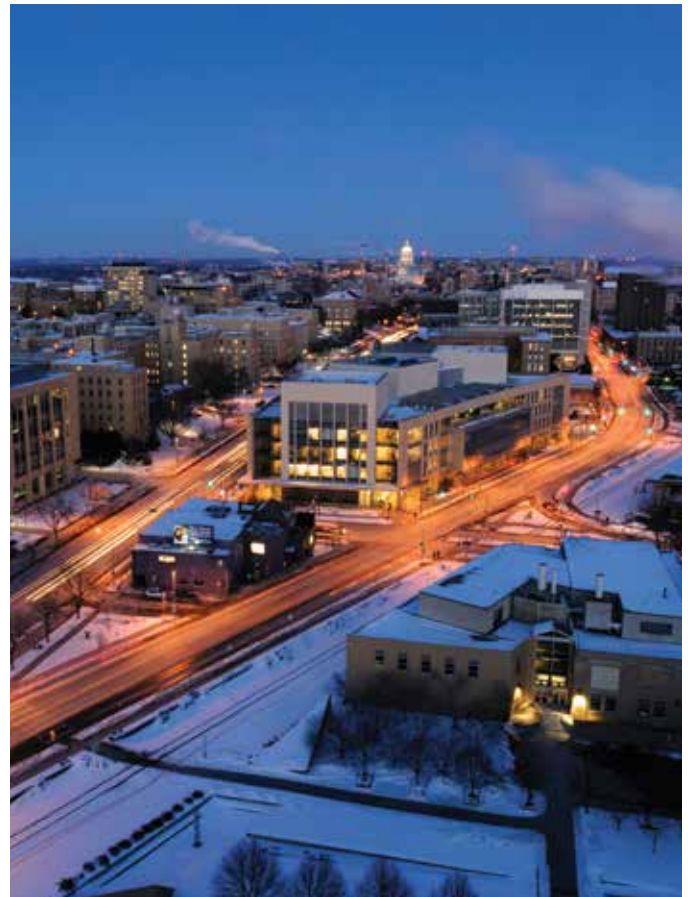
Unclaimed property

According to the National Association of Unclaimed Property Administrators (NAUPA), states hold nearly \$33 billion in unclaimed property. If you are the administrator of an estate and you suspect that there are assets in addition to those you have inventoried, you might try to uncover them by looking for keys to safe deposit boxes, going through bank records, examining recent income tax returns and looking at the decedent's list of phone numbers and addresses.

If you think (or hope) that you personally might be the intended beneficiary of unclaimed property, you can go to the NAUPA web site (www.unclaimed.org) and enter your name and address. It is estimated that one out of eight people have unclaimed property.

Review your estate plan periodically to be sure it still meets your objectives

The potential for major shifts in financial markets has been dramatically demonstrated during the last decade, and certainly calls for a review of estate plans by everyone. In fact, it underscores some fundamental tenets of estate planning.



Campus buzzes with activity on a frigid winter night.
[Photo by Andy Manis]

One factor: The need for liquidity. Every estate needs cash to pay claims, taxes, expenses and other costs associated with administration. An estate that relies too heavily on stock can face serious problems. The estate could be forced to sell on market lows to raise needed cash. Even worse, a major market drop could wipe out a significant portion of an estate's value.

Another potential danger during times of financial uncertainty: Making bequests of specific dollar amounts to secondary beneficiaries and providing for a primary beneficiary with a residual bequest. This means the secondary beneficiaries get a specific sum of money while the primary beneficiary gets what is left over. Under such a strategy, the residual beneficiary bears the brunt of a market drop.

If you have made bequests of specific dollar amounts, you may want to review your will. Perhaps percentage bequests are better suited to your needs during market turbulence.



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A commitment to the continuing strength and success of UW-Madison

On October 15, 2015, UW-Madison launched a comprehensive giving campaign: "All Ways Forward." The campaign's name and theme speak to the expansive, all-encompassing nature of our university's accomplishments as well as the need to continue making progress in all directions. All Ways Forward is built around four pillars: Student Support, Educational Experience, Faculty Excellence and Research & Innovation. The pillars represent areas of focus where supporters can have a significant impact on both the mission of the campaign and the entire UW-Madison community.

As a member of our Wisconsin Legacy Society, you have already made a tremendous commitment to the continuing strength and success of UW-Madison. But, as key stakeholders in the future of the university, you will likely find the many impact stories resulting from this effort interesting and, hopefully, inspiring! Stay tuned to future communications to learn more, and let us know if you would like to join us in this effort.

Visit allwaysforward.org to read about exciting things happening at the UW and the university's big plans for the future.

For additional information contact:

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The University of Wisconsin Foundation, an independent, nonprofit, tax-exempt corporation founded in 1945, raises, invests and distributes gifts on behalf of the University of Wisconsin.

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney for applicability to your own situation.

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Act Now! A special opportunity to give to the University of Wisconsin through your IRA has been extended—**PERMANENTLY!**

The IRA charitable rollover is back, and this time it's permanent! Direct gifts to the University of Wisconsin from your IRA can:

- 1 Be an easy and convenient way to make a gift from one of your major assets.
- 2 Be excluded from your gross income: **a tax-free rollover.**
- 3 Count toward your required minimum distribution.

For your gift to qualify for benefits under the extension:

- You must be 70½ or older at the time of your gift.
- The transfer must go directly from your IRA to the University of Wisconsin Foundation.
- Your total IRA gift(s) cannot exceed \$100,000.
- Your gift must be outright.

On our cover: A snow-covered Bascom Hall soaks up the winter sun.

[Photo by Bryce Richter/UW-Madison]