

GET YOUR HELPFUL GUIDE TO LEARN MORE ABOUT BENEFICIARY DESIGNATIONS

- ☐ Please send me a complimentary copy of *Beneficiary Designations: A Powerful Estate-Planning Tool That Can Benefit Your Loved Ones and Charities.*

PLEASE CONTACT ME

- ☐ I am considering including the university in my estate plan.
- ☐ I have included the university in my estate plan and have not previously notified you.
- ☐ Alternately, gift details can be submitted at: supportuw.org/gift-planning/inform-uwf-of-your-legacy-gift

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The Wisconsin Legacy Society is a recognition society that honors and celebrates alumni and friends who have made a commitment to support the University of Wisconsin–Madison through a legacy gift.

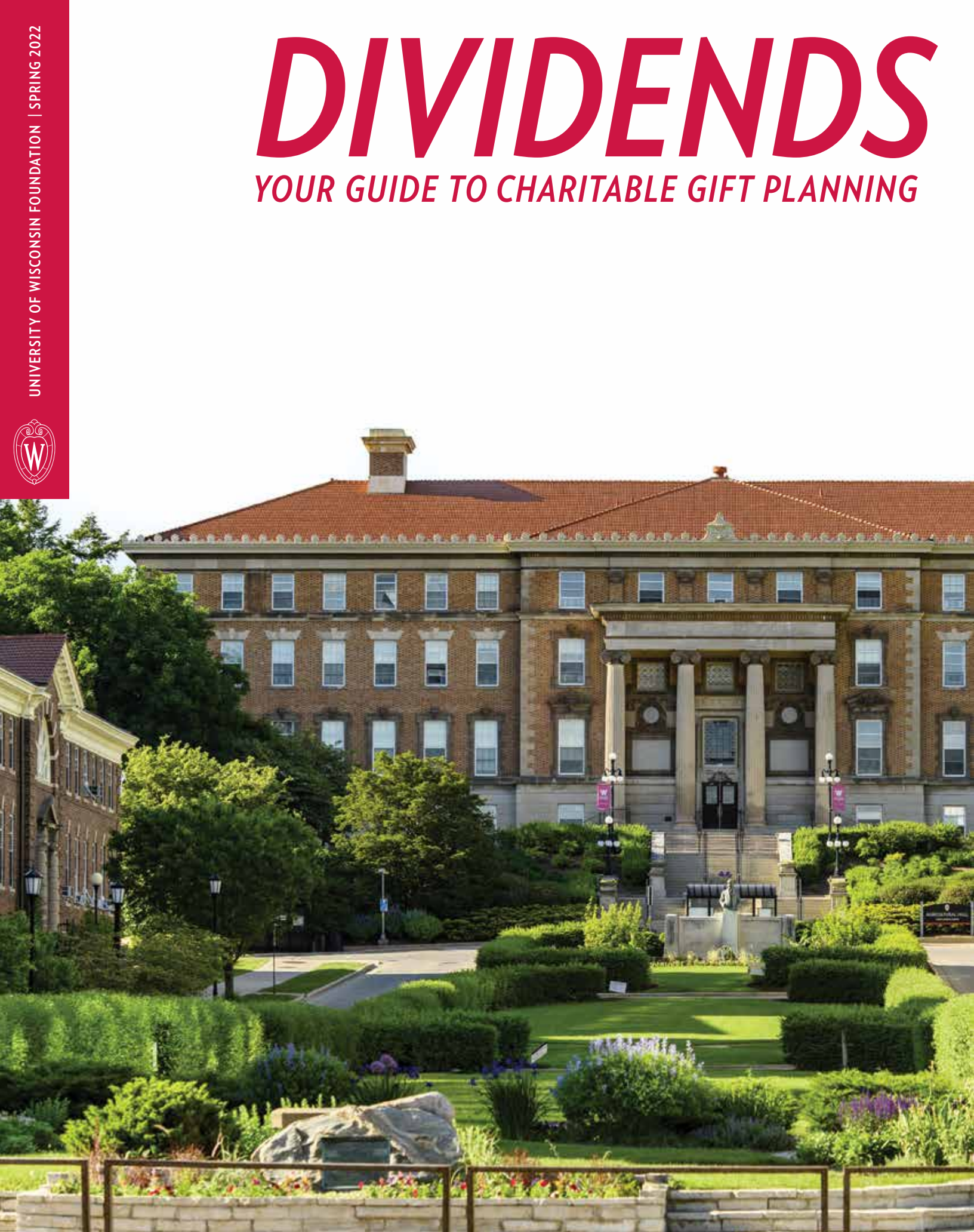
By including the University of Wisconsin Foundation in your estate planning and sharing your gift intentions with us, you qualify for membership.

Join the Wisconsin Legacy Society’s 2,500+ current members in ensuring excellence at the University of Wisconsin–Madison for generations to come.

CONTACT THE OFFICE OF GIFT PLANNING

To learn how you can join the growing community of alumni and friends who have created a legacy for the future of our great university, call **608-263-4545** or visit supportuw.org/legacy.

DIVIDENDS
YOUR GUIDE TO CHARITABLE GIFT PLANNING



The University of Wisconsin Foundation engages those who care about the university; provides opportunities to enhance its teaching, research, and outreach programs; and guarantees ethical stewardship of the gifts received.

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A BENEFICIARY GIFT FROM THE HEART



A second-generation Badger, Peter Hartman '70 has developed strong ties to the state of Wisconsin and UW–Madison throughout his life. Originally from Janesville, Wisconsin, Hartman's family temporarily relocated to Texas when he was 10 years old, and, fortunately, they returned to his hometown in time for him to attend high school.

"I applied to the UW primarily with my family's example and encouragement," shares Hartman. "I steadily improved my academic performance throughout my time there, given the stimulus provided by my classes, professors, and fellow students, and I graduated with a confidence in my abilities that I had previously lacked."

His father, Albert B. Bostwick '43, passed away before Hartman got his start at the UW. In addition to the shocking loss, he also witnessed how difficult it was for his mother living on her own, raising three children, and experiencing all the challenges of being a single parent. Although philanthropy wasn't a part of Hartman's upbringing, that experience greatly affected him — and giving back became central to his approach to life. His time at the university inspires his giving. "I want to help future students who may be deterred from attending the university because of a lack of adequate financial resources," he says.

After graduating with an English literature degree, Hartman felt restless. And his life journey meandered through many phases. Heavily influenced by the campus upheavals and protests of the 1960s, he spent several years traveling throughout the United States and Mexico — working odd jobs before joining the Peace Corps for a stint in Nepal.

"As I thought about the influence the UW had on the course of my life, I became convinced that supporting the university that had set me on my entire life's course was what I should do."

— Peter Hartman '70

"I eventually settled in San Francisco, California, where I completed an introductory curriculum in civil engineering that led to a position at Pacific Gas and Electric Company," he says. "I ultimately had a successful 30-year career in urban planning and economic development and retired in 2008."

ENDOWED WITH GENEROSITY AND WISDOM

Soon after retiring, Hartman and his childhood friend and college roommate, Jim Harker '70, took their shared passion for wine and founded SoMa Cellars — a small commercial brand making wine in the Napa Valley. During that time, while preparing his estate plan, Hartman pondered who he might want as his philanthropic beneficiary; and after an enlightening conversation with a friend, he came to a decision.

"As I thought about the influence the UW had on the course of my life, I became convinced that supporting the university that had set me on my entire life's course was what I should do," he says. "I established the Owl Fund — a scholarship fund named for a taxidermy owl that has been with me since my days in Madison — to help students like me through their college years."

Hartman suggests that anyone contemplating a planned gift should think back to where they were when they entered college, how they were when they graduated, where they are today, and what influence those years and experiences had on the direction of their life. That's the process he used to guide his decision to create an endowed fund that will provide scholarship support to undergraduate students at the UW, reducing pressure on recipients to engage in significant outside employment while attending college.

"The legacy I want to leave is a means for future students to attend the UW and achieve their full potential," says Hartman. "My time at the university opened up the world to me — intellectually, culturally, socially — and it continues to pique my curiosity to this day. I can't imagine any other path that would have had a more profound effect."

If you would like to learn more about providing scholarship support through your estate plan, please contact our gift planning office at 608-308-5334.



THE DOS AND DON'TS OF GIFTS OF BENEFICIARY DESIGNATIONS TO LOVED ONES AND CHARITIES

Many people believe that their estate planning is complete once they finalize and sign their wills. While your will is the foundational document of your estate plan, it is also highly likely that many of your assets will be transferred to your loved ones and favorite charities outside of your will.

The way these assets are most often transferred is through beneficiary designation — and they may include some of your largest assets, such as your IRA or life insurance policy. As such, you need to understand how beneficiary designations work and how you can make sure that you are using them most effectively — including the “dos and don’ts” described on the following pages.



Koi swim among the lily pads in a pond at the Allen Centennial Garden. Photo by Jeff Miller, University Communications

BENEFICIARY DESIGNATIONS CAN HELP FULFILL YOUR CHARITABLE PLANS

Beneficiary designations are often the simplest way to implement your charitable estate plans. For instance, you can name the University of Wisconsin Foundation as a beneficiary of your IRA or other qualified plan. Doing so can save a significant amount of taxes because your family and loved ones will be required to pay income taxes on the amounts they receive from your IRA at their tax brackets. But the UW Foundation, as a tax-exempt entity, will pay no taxes. So 100 percent of your retirement plan will be used according to your charitable intent. In addition, many people do not realize that they can designate any amounts remaining in their donor-advised fund (DAF) to charity. This is a very simple process that can be implemented through the specific procedure of your DAF sponsor.

DO: MAKE SURE THAT YOU HAVE NAMED BENEFICIARIES ON ALL OF YOUR RETIREMENT-PLAN ACCOUNTS AND LIFE INSURANCE POLICIES.

If you do not name beneficiaries, the assets will typically be transferred to your estate — where they will be distributed according to the residuary clause of your will, which may not be the beneficiary you intend for these accounts. In addition, these assets will be subject to probate fees that wouldn’t apply otherwise. Many people have multiple IRAs, life insurance policies, and annuities, and each of those has its own beneficiary designation. As a result, it is important to gather all of these accounts when reviewing your beneficiary designations.

DON'T: NAME YOUR ESTATE AS THE BENEFICIARY.

When taking a new job, there is a multitude of paperwork to complete. In the rush to complete it all, some people simply name their estate as the beneficiary of their retirement account and employer life insurance plan. Often the intent is to name a beneficiary later, but this does not always happen. Naming your estate as beneficiary has the same consequences as not naming a beneficiary at all — which can result in the funds going to an unintended beneficiary and additional probate fees.



Badgers benefit from the remarkable exercise facilities at the newly constructed Nicholas Recreation Center. Photo by Jeff Miller, University Communications

STAY IN TOUCH WITH US!

The University of Wisconsin Foundation wants to stay in touch with you. As the primary manager of the university’s alumni and friends database, the UW Foundation continually seeks up-to-date contact information. You can update your information online by visiting uwalumni.com/update-info. Updating your information will help us to maintain accurate records, which we share selectively with the Wisconsin Alumni Association® and other campus departments and programs with which you may be involved as a graduate, volunteer, faculty member, or donor.

DO: BE SPECIFIC ABOUT THE NAMES OF YOUR BENEFICIARIES.

You may have relatives with similar names. It is important to include identifying details such as middle initials, Jr. or III, gender (because some names are gender-neutral), current city of residence, and the like. Likewise, many charitable organizations have similar names, so be specific in naming them.

DON'T: NAME MINOR CHILDREN AS BENEFICIARIES. CREATE A TRUST INSTEAD.

If you do, a judge will be required to name a custodian to manage the funds. Typically, the financial firm will not release funds to a minor without the judicial order naming a custodian. In addition, custodian fees will be taken from the account annually. If you wish to name minor children, you should establish a trust for the minors and name a trusted person or institution as the trustee.

DO: UPDATE YOUR BENEFICIARY DESIGNATIONS OVER TIME.

Circumstances, both yours and those of your beneficiaries, will change — sometimes suddenly. Experts recommend that you review your designations regularly (every 12 to 18 months) and following any major life event (births, deaths, marriages, divorces, onset of medical conditions, etc.).

DON'T: FORGET TO UPDATE YOUR WILL WHEN YOU MODIFY YOUR BENEFICIARY DESIGNATIONS (AND VICE VERSA).

Your will and your beneficiary designations work in concert with each other. Changing one without changing the other could

result in the unintended disinheriting of a loved one, causing a beneficiary to lose government benefits or burdening a beneficiary with a large tax bill.

DO: INCLUDE SECONDARY BENEFICIARIES IN ALL YOUR DESIGNATIONS.

Should your primary beneficiary predecease you or for some reason decline to receive your funds, the funds would be transferred to your estate — and likely result in unintended consequences — unless you name a secondary beneficiary or beneficiaries.

DON'T: NAME PERSONS WITH SPECIAL NEEDS AS BENEFICIARIES. CREATE A TRUST INSTEAD.

Similar to naming minor children, persons with special needs — even if they are adults — may not have the capacity to adequately manage the funds. A custodian may need to be named by a judge. In addition, these funds could adversely impact the beneficiary’s governmental payments. Creating a trust for these beneficiaries can adequately address these issues.

To learn more about the prudent uses of beneficiary designations, request our complimentary guide ***Beneficiary Designations: A Powerful Estate-Planning Tool That Can Benefit Your Loved Ones and Charities.***



An art installation of steel, blown glass, and wood by artist Andy Paiko can be found in a skywalk corridor at the Chazen Museum of Art. Photo by Jeff Miller, University Communications

A CHARITABLE WAY TO HELP YOUR LOVED ONES STRETCH YOUR GIFT

Since the beginning of 2020, all qualified retirement plans have been subject to the rules created by the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act). The primary change noted by most account holders is the law's new 10-year rule: Most non-spouse beneficiaries must place the assets into an inherited IRA and then withdraw 100 percent of the funds within 10 years of the original account owner's death.

The new 10-year rule effectively eliminated a long-standing estate-planning tool — the “stretch IRA” — that allowed IRA inheritances to be stretched out over a beneficiary's lifetime. But this result can still be accomplished by utilizing the “IRA charitable stretch.” Here is an example of how that would work:

GIFT SPOTLIGHT: Marie is currently 84. She is grateful to have a substantially large balance in her IRA, and she anticipates that there will be a significant amount remaining at her death.

Marie has a son with special needs, Jeff. She has established a trust to manage Jeff's assets when she is no longer able to do so.

In order to accomplish her goal of providing additional lifetime income to Jeff from her IRA, Marie designates that her IRA balance will be transferred into a charitable remainder trust (CRT) with the UW Foundation. The CRT will then make an annual 5 percent payout to Jeff for the remainder of his life. After Jeff's death, the CRT principal will establish an endowment in Jeff's name.

If you are interested in exploring how the IRA charitable stretch could work for you, please request the guide ***Beneficiary Designations: A Powerful Estate-Planning Tool That Can Benefit Your Loved Ones and Charities***.

You may also contact us via phone, email, or U.S. mail. We would be honored to assist you in exploring your options in a no-obligation discussion, including a prepared plan that is personalized to meet your specific set of circumstances.

FOR MORE INFORMATION

Call us at **608-263-4545** to find out how a gift to the UW Foundation will further the university's mission.

Email us at uwf@supportuw.org. We are happy to answer any questions you might have or send you more information.

Visit supportuw.org/gift-planning to learn more.

Or contact:

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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. Copyright © by Pentera, Inc. All rights reserved.



Thanks to the dedicated support of alumni and friends like you during the six-year All Ways Forward campaign, the University of Wisconsin-Madison will remain among the top educational institutions and continue to be a world leader in research and innovation. The positive impacts of this campaign are already being felt on campus and around the globe — and will be for years to come. On, Wisconsin!

[ALLWAYSFORWARD.ORG](https://allwaysforward.org)

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