

CHARITABLE GIFT
AND FINANCIAL
PLANNING IDEAS
FROM THE
UNIVERSITY
OF WISCONSIN
FOUNDATION

Spring 2011

W I S C O N S I N

Dividends



Planning your will now provides for
your family—and our mission—later

Intestacy is not an esoteric legal concept. It simply means *dying without a valid will*. Often, its real significance is not grasped until a death occurs.

The sad thing about intestacy is that it is unnecessary. One of the most precious legal rights is the opportunity to dispose of property in accord with one's wishes. Nevertheless, a vast number of people elect not to exercise this right: *More than 70 percent of the adults in this country die intestate.*

Why is it that many people will spend a lifetime working, accumulating an estate and caring for a family and loved ones and then leave the important matter of the distribution of their property up to state laws that may not be in accordance with their wishes? One reason individuals die without a will is procrastination—the “I’ll-do-it-tomorrow” syndrome. Others may think they do not have enough money to worry about it or feel that the making of a will is to invite death.

Procrastination, inability to face death and lack of familiarity with intestacy laws are reasons so many die without executing a will. The first two “justifications” are personal and cannot be dealt with here. The latter reason—uncertainty as to the consequences of intestacy—can (and should) be dispelled by the facts.

What Can Happen: One ... one-half ... one-third ... the countdown may reflect the portion of your estate that will pass to your spouse if you die without a valid will. The exact amount will depend on your state's intestacy law. What's more, you can always expect an inflexible legislative formula. Seldom will

the distributions coincide with the intentions of the decedent. Often harsh inequities result.

Drafting your will: some basic considerations

A will need not be a complicated instrument to be effective. Further, a will avoids the unsatisfactory disposition of property often confronted when a state's intestacy law comes into play. A will

- makes provisions for the payment of debts, administration expenses and taxes;
- provides for the payment of certain specific bequests (for example, your wedding china to your granddaughter);
- leaves the remainder of the estate to intended beneficiaries including charities you wish to support.

Additional provisions usually name an executor of the estate with authority to serve without bond and with additional management powers not otherwise authorized by state law, providing as well for the alternative disposition of the estate in the event of a husband and wife's concurrent deaths.

A “simple” will can solve still another complicated problem: Have all your children been equally blessed mentally and physically? Have they all experienced the same success in business and in marriage?

One or more of your children, after reaching adulthood, may still require your assistance, even after your death. Others may have more than adequate financial resources of their own. Generally, share and share alike is the intestate rule where your children are concerned. To provide one child with some sort of special consideration, you will have to plan for it yourself. How? Perhaps a specific bequest may be in order.

Under your will, you can also memorialize a lasting interest on behalf of the University of Wisconsin-Madison.

A custom will makes it possible to arrange your gifts in a manner designed to support your charitable interests—and reduce taxes—while enhancing your family's security.

Your will—a priceless privilege

Perhaps the most important benefit of creating a valid will is the opportunity to specify how you wish your assets to be distributed. Every individual's wishes are unique, and only through a valid will can you ensure that your wishes will be carried out.

For example, you may have items of tangible personal property that you wish to transfer to specific beneficiaries. Your will can

accomplish your wishes. Moreover, it is probable that the needs of each of your beneficiaries will be different and your will can include provisions keyed to these specific needs.

Once your will is made, keep it in a safe place (a bank's trust department vault or an attorney's vault, for example). Let one or more persons know where it is, but not necessarily what it contains. Some persons do such an excellent job of hiding their wills that they are never discovered. If no will is located and probated, a person is presumed to have died intestate.

Some wills are made, stored and forgotten. You should review yours periodically and revise if your circumstances dictate a different disposition of your property. An excellent will you drew up 20 years ago may not be appropriate today.

REMEMBER! To die without a will is to do a disservice to one's family and loved ones. The right to plan one's estate is a priceless privilege—cherish it.

Why a will is so important

To determine who gets what at your death is one of your most fundamental rights—and also a tremendous advantage from both personal and financial perspectives.

True, you will incur some expense in having a will drafted, since writing your own is inadvisable. You also will need to invest time to communicate your desires to a competent attorney. But once done, it will be one of the wisest investments you'll ever make.

The alternative is the chaotic unpredictability of intestacy.

Tax-Planning Opportunities

A carefully planned will can secure the maximum benefits of the marital deduction, which is unlimited and allows a husband or a wife to transfer his or her entire estate to the surviving spouse completely free of federal estate tax.

While the marital deduction is a very important planning tool, it is not a panacea—it merely defers potential estate tax to the death of the surviving spouse, at whose death the entire estate will be subject to estate taxation without the benefit of the marital deduction.

Limits of a will

A cornerstone of estate planning? Certainly.

The solution to all estate-planning needs? Definitely not.

Even the most carefully drawn will lacks the power to control the distribution of all assets. In fact, substantial assets may escape its powers entirely.

Coordinating your estate plan

If you own property jointly with your spouse, such property passes automatically to the surviving spouse. Likewise, life insurance proceeds pass to the policy's designated beneficiary. What's more, survivor benefits from retirement plans or deferred-compensation agreements also pass outside the realm of your will. These different types of property, passing in different ways at different

times, can greatly complicate the administration of your estate. Your will, however, can help to coordinate your estate plan.

Living trust—If you want simplicity in your estate plan, you may wish to consider a living trust that can be used in conjunction with a so-called pour-over will. Your will can simply state that the remainder of your estate after payment of certain costs is to “pour over” into an already existing trust. You also could designate the trust as beneficiary of your life insurance policies and retirement plan benefits. Such an arrangement would, in effect, centralize the assets of your estate, and your beneficiaries would be provided for according to the terms you specify in the trust agreement.

Gifts by will have become part of the American philanthropic tradition because they enable one to make significant contributions that may not have been possible during life.

Charitable gifts by will

Each year thousands of individuals designate that a portion of their assets be used for the benefit and support of America's charitable organizations. In addition to the personal satisfaction of a philanthropic bequest, there is a definite estate tax benefit—a charitable estate tax deduction for the full value of your gift.

Gifts by will can be tailored to meet your own specific personal and

financial objectives. You may wish to express your bequest as a percentage of your estate rather than a specific dollar amount, protecting your intended beneficiaries in the event of a reduction in the size of your estate.

Federal estate tax modified

The gradual phase-out of the federal estate tax begun in 2001 was modified and extended by Congress late in 2010. The amount that is exempt from tax is now \$5 million per person, and the top tax rate has been reduced to 35 percent. This increase in the exemption amount should eliminate the threat of federal estate taxes for all but the wealthiest Americans. However, unless Congress acts again these changes are set to expire at the end of 2012, so it is important to get in touch with your legal and financial advisors to explore how these changes will impact your financial, estate and philanthropic plans.

ON THE COVER: The University of Wisconsin-Madison played host to 55,031 fans for the Culver's Camp Randall Hockey Classic on February 6, 2010, at Camp Randall Stadium. The Badger women beat Bemidji State, and the men defeated Michigan. The Badger men would win one more game at a football stadium—defeating Rochester Institute of Technology in the Frozen Four NCAA semifinal at Ford Field in Detroit—before losing to Boston College in the national championship.

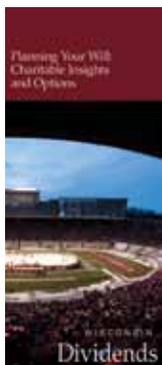
Next steps:

Are you wondering what your next best step is? Maybe you'd like more information, or maybe you'd like to speak with us directly. Here are a few options:

- 1 Visit us online** at www.supportuw.org to learn more about how you can benefit the UW-Madison.
- 2 Return the reply card** to receive a free copy of our new booklet, ***Planning Your Will: Charitable Insights and Options***.
- 3 Call us at 608-263-4545** to find out about how a gift to the UW Foundation will further the University's mission and could provide income to you for life.
- 4 Email us** at uwf@supportuw.org. We're happy to answer any questions you might have or send you more information.



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Is opportunity knocking for you?

You may find our booklet ***Planning Your Will: Charitable Insights and Options*** helpful as you consider your plans. Please return the attached card to receive a complimentary copy, or feel free to contact the Office of Gift Planning at 608-263-4545 to request a copy of the booklet or to discuss your situation with a member of our staff.

Coach's helping hand leads to gift through will

A favor that a coach did for young Richard Sierzant ('67 BS EDU) is being repaid through an athletic scholarship endowed through the alumnus' will.

Growing up in central New York state, at a young age Sierzant avidly read magazines like *Outdoor Life*, *Sports Afield* and *Field and Stream*, publications that fueled his love for hunting and fishing. After high school, he enrolled in a small college near home, but he knew it wasn't for long and it wasn't.

"I knew I wanted to head West to attend a large state school and initially considered either Michigan, Minnesota or Wisconsin, because numerous stories and photos in those magazines at that time featured those particular states," he said from his home in Carbondale, Colorado. "Minnesota seemed like the most interesting place—it had the most stories and pictures—so that's where I was headed."

Sierzant packed "the little bit of stuff I had and told my parents I was heading West." He hit the road, hitchhiking to an unknown future. Picking up a ride east of Chicago on I-90, "the young guy who was driving said I should visit Madison before continuing on, so I did and stayed for the next three years."

At first, he slept in different places around the Memorial Union—"you



Richard Sierzant fishes on his Colorado property, along with canine companion Grapes.

could do that at that time and not get arrested"—and eventually rented a room in an old fraternity house on Langdon Street. "I got a job working at the Coca-Cola plant on University Avenue and started taking night classes at the University Extension on the old Engineering Campus," he said. "I did that for two semesters."

He then attended class full-time in the summer, receiving college course credit, but was not enrolled in the University as a student. "I had not applied, and I had no money for school," he said. Sierzant was taking a course taught by then-baseball Coach Arthur "Dynie" Mansfield. "In mid-summer I approached Coach Mansfield after class one day, told him my story and asked him for help in making application to a full-time degreed program. Dynie told me to come see him at the end of the summer session and to bring my grades." This was the summer of 1964.

"I had studied hard, did well and presented my grades to Dynie. Coach

Mansfield then walked me directly downstairs and into the dean's office in the School of Education," Sierzant said. "Dynie directly informed the dean that he was 'recommending' I be admitted to the UW. The three of us spoke forever it seemed.

"The dean reviewed my transcript and indicated, based upon the academic information and the recommendation of Coach Mansfield, that he would make this happen!

"Dynie being the baseball coach, the dean was curious to know what position I played. I told the dean my sport was hockey not baseball, but my focus was on education. I was enrolled that day and received a 'hockey scholarship' from the dean, which waived my out-of-state tuition," he said. "Be advised there was no intercollegiate hockey team at that time; Badger Bob [Johnson] was not yet the coach, and I certainly was NOT good enough to ever play at the university level; the 'hockey

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Coach's helping hand leads to gift through will

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scholarship' was Dynie's and the dean's and my inside joke!

"Coach Mansfield and the dean's offer of a scholarship made all things possible," Sierzant said. "I graduated UW-Madison in three years and completed a master's in guidance and counseling at Indiana University the next year."

Sierzant taught physical education and was a guidance counselor but decided to move to Colorado and change careers. He since has successfully represented Jeep Sales Corporation, Ford Motor Company, General Motors, Winnebago Industries and AirStream in various sales and management positions throughout the Western United States and Canada, inclusive of Alaska and Hawaii. In addition, he's been involved in various successful small business ventures in Colorado.

He continues involvement in one last business but does make ample time available to chase fish and hunt upland game throughout the upper Eastern Rocky Mountain states.

"If not for the faith Dynie Mansfield had in me, and without the UW offering an opportunity as well as its financial investment, certainly my life would not have been this full. I'm grateful for what I have, for where I am today and for the person and institution that have made this all possible."

In his will, Sierzant has established a bequest to create the Arthur "Dynie" Mansfield Hockey Scholarship, which will rotate annually between the men's and women's hockey teams.



The Red Gym is one of the campus's most recognized buildings.



Visit our website at

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Stay in touch with us!

The University of Wisconsin-Madison wants to stay in touch with you. As 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 www.supportuw.org/survey. Please use the identification number located above your name on the *Wisconsin Dividends* mailing label to log in to the website. You will help us to maintain accurate information that is shared selectively with the Wisconsin Alumni Association and any other campus departments and programs with which you may be involved as an alumnus, volunteer, faculty member or donor. Thank you!



We would like to send you a complimentary copy of our booklet
Planning Your Will: Charitable Insights and Options.

To receive your copy, simply return the attached card or call:

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Dividends



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Dear Friends,

My name is Richard Sierzant. Inside this issue of *Wisconsin Dividends* you'll find an article referencing my last will and testament and a provision providing for a scholarship at the University of Wisconsin-Madison.

The inspiration for my gift is the counsel and assistance I received as a young man from Coach Arthur "Dynie" Mansfield, the legendary Badger baseball coach. Dynie's guidance, direction and encouragement helped make it possible for me to attend and graduate from UW-Madison.

Considering such a gift is a personal decision, yet it's simple, painless and offers an opportunity to demonstrate your gratitude and appreciation for the rewards you enjoy today. If you are considering a gift through the UW Foundation, talking with your advisers and the professionals at the UW Foundation could benefit all parties and, more important, future students in need of financial assistance.

Sincerely,

Richard Sierzant