

REMEMBERING WOFFORD

A newsletter about gift planning | Fall 2016

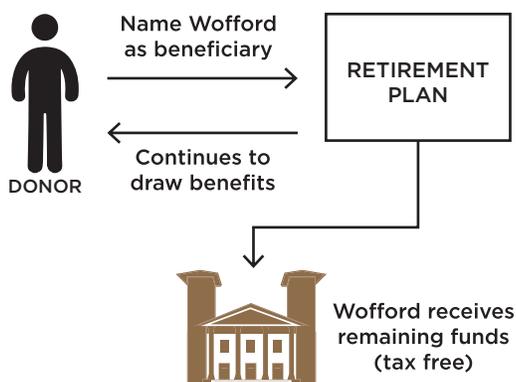
LEAVING A LEGACY WITH RETIREMENT ASSETS

Retirement assets are a simple and often tax-savvy means of making a charitable contribution to Wofford College. There are two different ways to use your retirement savings to help fund your legacy: 1) Naming Wofford as a beneficiary of any remaining retirement funds or 2) Gifting your required minimum distribution (RMD) to Wofford. Read on to explore each of these options and learn more about how each can benefit you and your family.

GIFTS OF RETIREMENT ASSETS AT A GLANCE

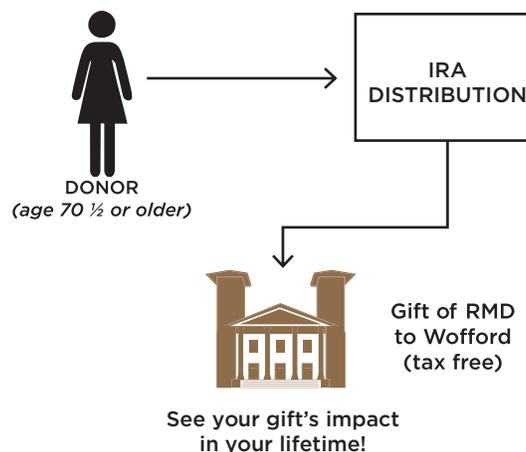
NAMING WOFFORD AS A BENEFICIARY

HOW IT WORKS



CHARITABLE IRA ROLLOVER

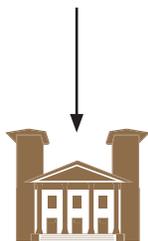
HOW IT WORKS



Q&A: MAKING WOFFORD A BENEFICIARY OF YOUR RETIREMENT ASSETS

BENEFICIARY COMPARISON CHART

\$1 MILLION IN RETIREMENT ASSETS



\$1 MILLION

\$1 MILLION IN RETIREMENT ASSETS



\$350,000-\$650,000 after taxes to heirs
(based on tax bracket)

Did you know that up to 65 percent of your retirement assets may be taxed if you leave them to your heirs? Naming Wofford as a beneficiary of your retirement account allows you to avoid paying income or estate taxes on these funds if that's your choice. If you wish to provide for both family members and charitable causes, the wisest plan may be to leave income-taxable assets like IRAs and 401(k) plans to a charitable beneficiary (such as Wofford) and nontaxable items (such as cash, stocks or property) to the individual beneficiaries.

WHAT ARE MY NEXT STEPS?

1. Contact your plan administrator and ask for a "Change of Beneficiary" form.
2. Complete a "Confidential Statement of a Deferred Gift" form to let Wofford know of your intent and how you would like your funds designated. Download this form at wofford.edu/supportwofford/giftplanning or contact Lisa De Freitas to have one mailed to you.

Q: What types of retirement plans can be used for this type of gift?

A: An Individual Retirement Account (or IRA), a 401(k), a 403(b) or a Keogh plan.

Q: Will I need the help of an attorney or other adviser?

A: We always recommend that you check with your accountant or financial adviser before making a change. However, the process of making Wofford a beneficiary is simple and no professional services are needed to execute the change.

Q: Is my spouse taxed on funds in an inherited IRA?

A: Your spouse is exempt from this tax, but all other individuals would be required to pay income tax and possibly estate taxes as well.

Q: Will I get a charitable gift deduction for my gift?

A: You will not receive a charitable tax deduction in your lifetime, but your estate may benefit from an estate tax charitable deduction.

Q: Can I name more than one beneficiary?

A: Yes, you may make Wofford a partial beneficiary of your plan and direct the balance to your heirs, other individuals or other charitable organizations. You may want to explore sub-accounts when naming charities and individuals.

Q: If I name Wofford as my beneficiary, will I still be able to withdraw from my account in my lifetime?

A: Yes, the account belongs fully to you until your death. The remainder is then given to Wofford (with no taxation) to be used for the purposes you have designated.

Q: If my family situation changes, can I change the beneficiary again down the road?

A: Absolutely. It is your prerogative to make changes whenever you see fit.

Q: What information do I need to make Wofford a beneficiary of my plan?

A: In addition to the name of the college, you may be asked for the college's tax identification number, which is 57-0314422.

Q&A: GIFTING YOUR REQUIRED MINIMUM DISTRIBUTION (RMD)

Would you like to see the impact of your gift during your lifetime? Consider gifting your required minimum distribution (RMD) to create your legacy today. In addition, you will enjoy reduced income taxes. Since 2007, Congress has allowed donors (who are 70 ½ or older) to gift their RMD from an IRA to a charity in order to avoid additional income tax. Any qualified contribution up to \$100,000 counts toward your RMD. This is a good option for individuals who have additional sources of income and do not want the tax burden.

Q: What is the deadline for gifting my RMD?

A: The transfer must be completed by December 31.

Q: I've already named Wofford as the beneficiary of my IRA. What are the benefits to making a gift now?

A: You can see your philanthropic dollars at work by watching your gift in action.

Q: I'm turning age 70 ½ in a few months. Can I make this gift now?

A: No. The legislation requires you to reach age 70 ½ by the date you make the gift.

Q: I have several retirement accounts — some are pensions and some are IRAs. Does it matter which retirement account I use?

A: Yes. Direct rollovers to a qualified charity may be made only from an IRA. Under certain circumstances, however, you can roll assets from a pension, profit sharing, 401(k) or 403(b) plan into an IRA and then make the transfer from the IRA directly to Wofford. To determine if a rollover to an IRA is available for your plan, speak with your plan administrator.

Q: Do I need to give my entire RMD to be eligible for the tax benefits?

A: No. You can give any amount up to \$100,000 under this provision.

Q: My spouse and I would like to give more than \$100,000. How can we do that?

A: If you have a spouse (as defined by the IRS) who is 70 ½ or older and has an IRA, he or she also may give up to \$100,000 from his or her IRA.

WHAT ARE MY NEXT STEPS?

1. Contact your plan administrator and ask for your required distribution (up to \$100,000) to be made directly to Wofford. (Note that the distribution cannot be sent directly to you, as it will then be considered income and will be taxable as such.)
2. Notify Lisa De Freitas, director of gift planning, to share the good news of the gift and how you would like the gift designated.



Katherine Howell '16 is just one of the many Wofford students positively impacted by a planned gift. Read her story and the stories of others at wofford.edu/supportwofford/giftplanning »



THE
Benjamin Wofford
SOCIETY

IS WOFFORD IN YOUR ESTATE PLAN? LET US KNOW!

We want to recognize and celebrate all donors who have decided to include Wofford in their estate plans. Some, however, hesitate to disclose their intent because of changing plans or amounts over time. Remember, a notification of a gift plan is not a binding pledge and providing gift estimates is always optional.

Informing us of your intent to include Wofford in your estate plans provides the following benefits:

- Your membership in the Benjamin Wofford Society, which allows us to recognize your generosity through special donor recognition events and opportunities.
- You may designate your gift to your particular area of interest at the college.
- Your planned gift can be counted in any capital campaign totals.

Return the enclosed response card to indicate the inclusion of Wofford in your estate plans or to request further information about gift planning options.

Please note: If you have previously returned this response card to the Office of Gift Planning, there is no need to do so again.

CONTACT US!



Lisa De Freitas '88

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