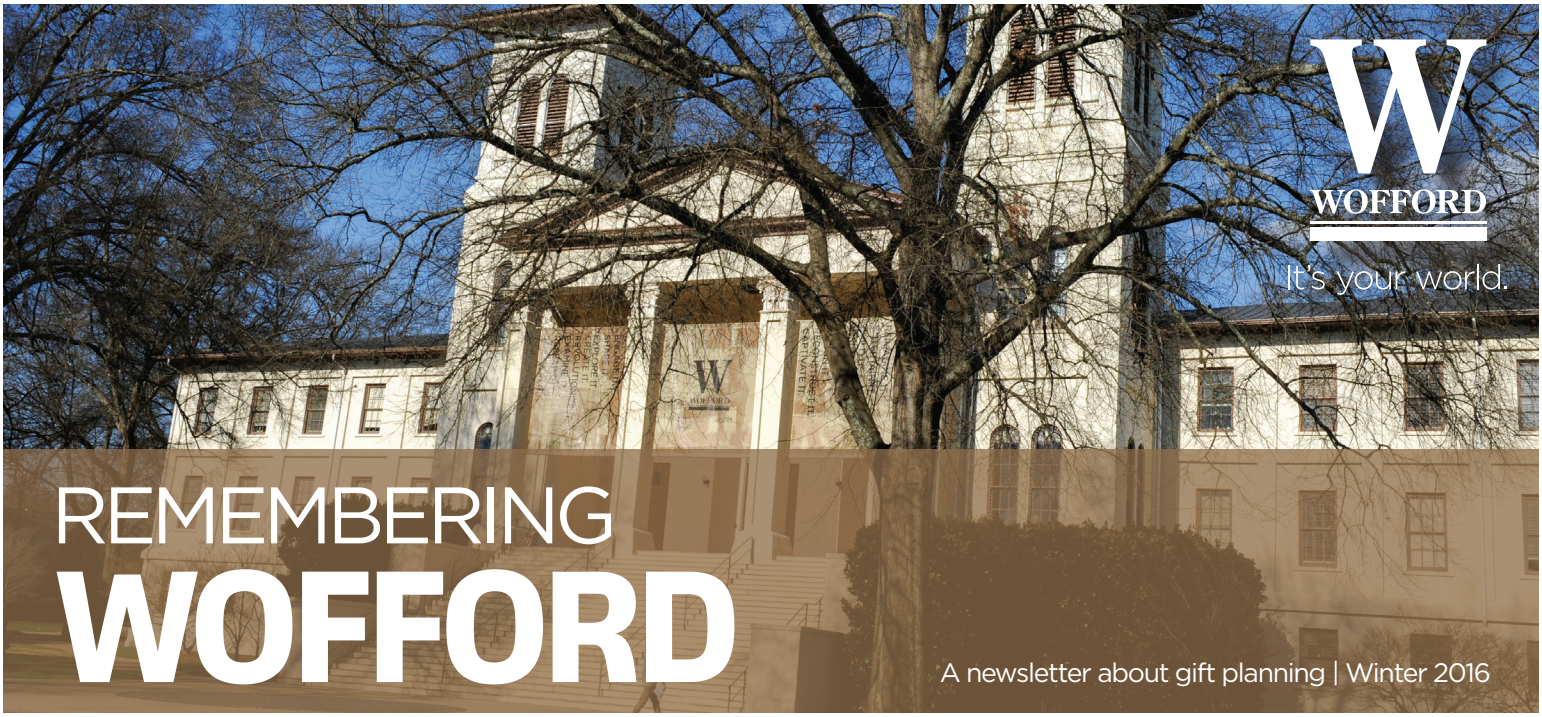

REMEMBERING WOFFORD

A newsletter about gift planning | Winter 2016

GIFT PLANNING: LEARNING FROM EXPERIENCE

Experience is a great teacher. Sometimes it takes multiple tries to succeed; sometimes you only get one shot. In these cases, learning from the experience of others makes all the difference.

Inside this newsletter you'll find valuable tips from experienced estate attorneys and planners, insurance agents, financial advisers and other professionals in the Wofford community. These professionals are sharing situations that they have encountered professionally in order to educate and empower you to make decisions that create the best-case scenario for you and your family.

As 2016 comes to a close and we prepare for a new year, now is a great time to review your estate plans to ensure that your documents and beneficiary designations are up to date. It is also a good time to consider ways to meet your financial and philanthropic goals in the new year. Remember that anyone, at any age, can make a planned gift and become a member of the Benjamin Wofford Society.

As always, reach out to me anytime you have questions about gift planning or your charitable giving goals for the coming year.

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SEEKING ESTATE ATTORNEYS IN THE WOFFORD COMMUNITY

Members of the Wofford community often contact our office seeking the counsel of an estate attorney in their area with Wofford ties. If you have expertise in this area and would like to have your name added to a list of preferred professionals, please contact Lisa De Freitas in the Office of Gift Planning.

COMMON GIFT PLANNING MISTAKES

Professionals weigh in on some of the most common mistakes and mishaps in gift planning ... and how you can avoid them!

#1: NOT CONTRIBUTING TO YOUR RETIREMENT PLAN

"Any employee who is not contributing to the 401(k) plan is compromising their ability to retire comfortably and leave a legacy. My advice? Save at least 10 percent of your pay. If that's a stretch, save at least the maximum amount subject to the company's matching contributions. Use a prudent asset allocation — preferably a 'target date fund' or asset allocation resources — through the plan provider. If you need additional assistance, consult your adviser."

Rick Simpson '80, financial adviser

#2: NOT CHANGING LIFE INSURANCE BASED ON YOUR CIRCUMSTANCES

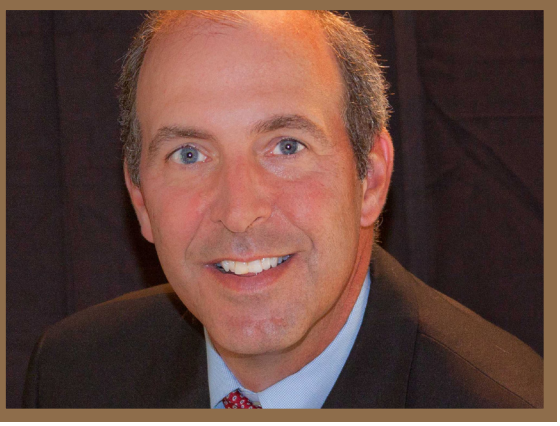
"Many individuals make the mistake of only naming their spouse as their primary beneficiary on their life insurance policies. If that spouse passes away first and no contingent beneficiary is named, those insurance proceeds will likely be payable to the surviving spouse's estate. To avoid this issue, the individual can name his or her children as contingent beneficiaries. Another alternative would be for the individual to create a revocable trust and name the trustee of the trust as the beneficiary of the life insurance policy. Naming the trustee of the trust allows for the life insurance proceeds to pass pursuant to the terms of the trust, thereby avoiding probate and providing the individual with comfort in knowing the life insurance proceeds will pass according to his or her wishes."

Jonathan E. Spitz '09, estate attorney

#3: HAVING CONFLICTING ESTATE PLANNING DOCUMENTS

"A common pitfall is that your beneficiary designations conflict with your other estate planning documents. For example, a will may indicate that an individual's IRA assets are to pass to a child, while the beneficiary designation form for the retirement plan shows that the ex-wife is to receive the funds. As a general rule, the instructions contained in the beneficiary designation form will trump those contained in a will or trust."

Roger O'Connell '90, insurance agent



#4: FAILING TO "FUND" A TRUST

"Sometimes an individual goes through the process of having an attorney draw up wills, trusts and other estate planning documents but does not communicate these updates to his or her accountant or financial adviser. Sometimes an individual has not 'funded' his or her trust, which simply refers to the process of transferring assets into the name of the trust. The estate planning process is not complete until the titles on accounts and beneficiary designations have been properly updated to reflect the legal documents. For example, if you have signed a living trust document but haven't changed titles and beneficiary designations, you will not avoid probate. A living trust can only control the assets you put into it. Generally, this is not a difficult process, but it can take some time, paperwork and organization."

Beth Jeter Hrubala '93, financial adviser

#5: NOT HAVING A WILL

"A person who dies without a will is said to have 'died intestate,' or, as some of my clients say, 'interstate.' It is a common myth that if you do not write a will, your estate will go to the 'state.' The laws of the 50 states essentially write a will for you if you choose not to do so. Typically, the state law first favors spouses and children, then parents, siblings, aunts, uncles and finally cousins before the state has access to the deceased's estate assets. Maybe my clients are right when they say someone who has died without a will has 'died interstate,' because dying without a will makes the administration of your estate akin to navigating the interstate on a moped. The executor of your estate will get to a final destination, but it will be a long, rough and perilous drive with many detours. If you do not have a will, run — do not walk — to the nearest attorney to write a will, general durable power of attorney and health care power of attorney. While you're there, inquire as to the suitability of a revocable trust and other probate avoidance techniques."

W. Steve Johnson '70, estate attorney

#6: NOT HAVING ENOUGH LIFE INSURANCE FOR YOUR SITUATION

"I've found that when people do not have enough insurance, they generally have the same issues. The most common is not talking to a financial professional who can provide guidance on the correct product and amount for their situation. Equal to that is the lack of an understanding of life insurance. Most people do not fully understand the product, its uses or the tax advantages of owning life insurance. The solution is simple: Talk to a professional who can show you how to make life insurance work with your financial plan to help you reach your goals."

Craig J. Richard '94, financial services professional

FINANCIAL WORKSHOPS: PREPARING OUR SENIORS FOR LIFE AFTER WOFFORD

The Office of Advancement, in conjunction with The Space and the Athletics Department, is planning a series of workshops for Wofford seniors to help prepare them for life after Wofford. Led by Gary Blount ’10 and Elizabeth Leventis ’09 of Foresters Financial in Charlotte, N.C., these financial workshops provide a dynamic, interactive way for our students to learn about managing finances upon graduation.

The series began in September with a trivia night held in The Space in the Mungo Center and will continue throughout the year. The first workshop educated seniors on budgeting and managing postgraduate finances. The second workshop will focus on managing long-term financial goals and the importance of giving back.

“Even those of us who take finance or accounting courses don’t always know how we can apply these concepts in our daily lives,” says Sarah Sarb ’17. “I look forward to going to future workshops and learning more about life after college!”

> “I feel that a better understanding of finances and money issues will help these future Wofford alumni become better citizens with the capacity to support Wofford in a meaningful way. I hope these seminars will help seniors learn some basic money management skills, but more importantly, learn how to access various tools and resources available to make good financial decisions.”
>
> *Gary Blount ’10*

> “Navigating the world of personal finance upon graduation can be overwhelming. Our objective in getting involved while students are still in college is to offer insight into what lies ahead and provide a foundation of basic financial literacy. It is a proven fact that people must first feel financially secure on a personal level before they consider giving back, so we hope to accelerate that process by equipping students and graduates with the knowledge and tools they need to succeed financially.”
>
> *Elizabeth Leventis ’09*