



Making a Difference

Dr. Jacqueline Krump is a special DePaul donor. She is not an alumnus of DePaul, nor did she spend her successful career teaching here. Though she is a distinguished Professor Emeritus of Northeastern Illinois University who acquired her post graduate degrees at Northwestern University, DePaul – particularly the School of Music – is also close to her heart. Dr. Krump states that she chose DePaul for her philanthropy because “it fits exactly the democratic model of institution that appeals to me: an urban university, accessible to those for whom going away to school, perhaps even full time study, is an impossibility; a place where others are helped to enjoy the opportunities I received.” Dr. Krump notes that she attended tuition-free Chicago Teacher’s College, and received financial assistance for her graduate studies. She feels that she owes her education and her profession to the aid she received, and takes great satisfaction from being able to do the same for other students. Dr. Krump was also a good friend of Monsignor Egan, and greatly respects DePaul’s mission.

Dr. Krump is happy that she has reached a stage in life where she is able to give back. She says that, as a retiree without a lot of deductions, charitable giving has a two-fold benefit. Her annual gifts to DePaul are made through appreciated securities, which enable her to minimize her tax liability while giving more substantial gifts than she would have thought possible. She stresses how pleased she is to be able to make a



Melanie Dykstra, Director of Development, School of Music; Rev. Thomas Munster, C.M., Vice Chancellor; Jacqueline Krump

difference in the lives of students. She has fully endowed three DePaul School of Music scholarships and has begun contributing to a fourth. She has also funded the purchase of new equipment for a state of the art keyboard laboratory.

Making a gift to DePaul through a bequest in her Will is a continuation of Dr. Krump’s desire to make a difference. She feels that by leaving this type of legacy she can assist more students to achieve an education. Dr. Krump believes that “the most significant and profound value of a liberal education for the individual, above and beyond the practical benefits of preparation for a meaningful career and its attendant economic and social rewards, is an entry into the life of the mind and the spirit.”

While Dr. Krump is modest about her life, career and generosity, we at DePaul do not underestimate the difference she is making for hopeful students of today and tomorrow. We greatly appreciate her friendship.

In this issue we have included a few photos from the DePaul University President’s Club Reception for our new President, Rev. Dennis Holtschneider, C.M. This event was held on October 21, 2004 at the Harold Washington Library.



Cancel a Tax Curse When You Include DePaul in Your Estate Plan

Halloween has come and gone, but the tax collector may still be playing “trick or treat” with some of your assets.

We’re talking about a “tax curse” known as income in respect of a decedent – IRD for short – that may cost your heirs both income taxes and estate taxes on U.S. savings bonds, retirement plan assets or other items in your estate. That’s the “trick.”

The “treat” occurs if you leave such items to DePaul University. The University is tax exempt, so we would keep 100% of every dollar of your bequest, while another beneficiary might end up with only 30¢ or 40¢ after taxes.

Savings Bonds: Your Best Bequest

Everyone seems to have some U.S. savings bonds, tucked away in a bureau drawer or safe deposit box. Bonds are a savings tool used by millions of Americans – in part because income tax on the interest is generally postponed until the bonds are cashed.

Bonds may be subject to heavy federal income taxes and state and federal “death taxes” in a person’s estate, however. Heirs will owe income tax whenever they cash savings bonds, and estate taxes – up to 47% – may take an even larger slice (on estates over \$1.5 million).

You can erase all taxes on

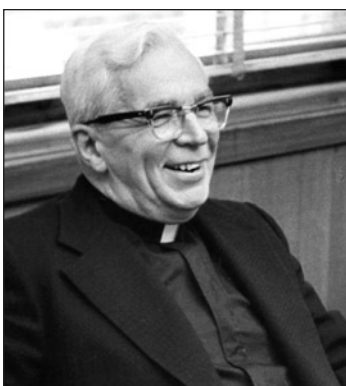


Father Dennis Holschneider addresses attendees of the President’s Club Reception

savings bonds at death by changing your will or revocable living trust to specifically leave bonds to DePaul.

Making the Most of Your IRA

People who own IRAs and other retirement accounts may be shocked to learn that 60%



Rev. John R. Cortelyou, C.M.

The John R. Cortelyou Heritage Society

Rev. John R. Cortelyou, C.M. was President of DePaul University from 1964 through 1981 during a period of extraordinary advancement. His legacy is now reflected in the program that bears his name. The Cortelyou Heritage Society honors individuals who demonstrate their commitment to DePaul by making a planned gift today that supports the goals DePaul will realize in the future. Call our office at 312-362-8268 to find out more about this honorary gift club.

to 70% of their accounts can be lost to taxes. A combination of “death taxes” and income taxes can nearly confiscate your savings, with little remaining for your heirs. But you can leave your IRA to DePaul and escape taxes 100%.

It’s also possible to use your IRA to benefit both family members and DePaul, with excellent tax results. Retirement death benefits can be transferred to a trust that would pay income for 10, 15 or 20 years to a beneficiary, with eventual benefit to DePaul. The trust would greatly reduce any federal estate taxes, and any income taxes – state or federal – would be minimized upon your death.

Other Assets to Consider

Here are some other IRD items that should be selected for estate gifts to DePaul:

- accounts receivable of a professional or business owner
- renewal commissions of insurance agents
- deferred compensation, last salary check, bonuses and distributions from employee benefit plans
- accrued royalties under a patent license
- commercial annuities



*Brenda Wilson Hale, Vice President for Advancement;
Mary Dempsey, Vice Chair, Board of Trustees; Father
Holtzschneider; John Simon, Chair, Board of Trustees*

- a deceased partner’s distributive share of partnership income up to date of death
- payments on installment notes, such as land sale contracts
- employee stock options.

It’s important, from a tax standpoint, for a donor’s will to specify that these items are to pass to DePaul. With retirement accounts, a donor can change the death beneficiary to a qualified charity; beneficiary designations also are possible with revocable living trusts that contain IRD.

One attorney suggests the following all-purpose provision: “I instruct that all charitable gifts, bequests and devises should be made, to the



*Father Holtzschneider
visits with Cortelyou
Heritage Society member
Rosemary Schnell*

extent possible, from assets that constitute income in respect of a decedent, as that term is defined in the Internal Revenue Code.” Please call our office if you would like more information.

Four Techniques for Saving Income Taxes

Tax laws offer four basic long-range techniques for minimizing the impact of the federal income tax:

- Divert income to a family member who is in a low income tax bracket;
- Defer income to a later year when you expect to be in a lower tax bracket;
- Invest so as to produce a tax-free income; and
- Arrange to qualify for maximum deductions, exclusions and credits.

Diverting income from your high tax bracket to the low bracket of a child over 14 or an aged parent can yield tax savings. Depending upon your personal situation, this diversion can be accomplished through an outright gift of income-producing investments or through an irrevocable trust that pays income to a family member.

Deferring income can be accomplished through an IRA or qualified retirement plan, or by a simple agreement with your employer.

Investment planning designed to produce long-term capital gains or dividends, or to take advantage of the federal income tax exclusion for interest received on state or municipal bonds, should be considered by many friends of DePaul.

Deductions for depreciation and other costs often make real estate investments very attractive. But there are other possible deductions, exclusions and credits that may be available if you take the time to plan.

DePaul University has a new booklet – *Minimizing Your Income Taxes* – that discusses all these tax-saving techniques. It is available without cost and it could

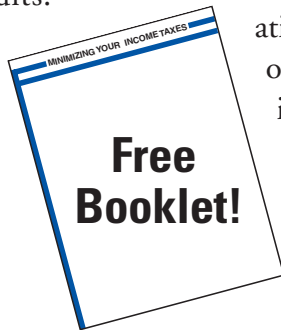
help you save thousands of tax dollars every year. Send for your complimentary copy today.

Consider a Gift to DePaul University

Your gifts to DePaul University are, of course, tax deductible. And if you give appreciated property, you gain a double benefit: an income tax deduction plus the avoidance of capital gains taxes.

A deferred gift can be extremely attractive. Your gift can be planned to give you an immediate tax deduction, capital gains tax avoidance, favorably taxed lifetime income and several other advantages.

If you have a desire to benefit DePaul University and you also want to minimize your income taxes, planned gifts are worth investigating.



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