DePaul Stayed With Me

Every time John Dickman (LAS ’59) comes on campus, he has a certain stop to make. “I have my DePaul sweatshirts, and I’ll wander to the store to get something else,” he says. “I’m very proud of my alma mater.”

Dickman is a retired advertising executive who rose to the top of his profession during his tenure at the Chicago Tribune (1959–1982) and USA Today (1982–1999). This life of accomplishment seemed very much in doubt back in 1955, when Dickman left the highly structured, all-male DePaul Academy to face DePaul University’s very different educational atmosphere. A sociology major, Dickman had no one looking over his shoulder to ensure he completed his assignments and made the most of his education. “When I went to the university,” he recalls, “I think there were three buildings. The gym was called ‘the barn,’ and it was

Dickman appreciates how DePaul made and continues to make education accessible. He was impressed that DePaul made it possible for military veterans to participate in the educational process without letting money get in the way. “If you’re willing to put the work in that’s necessary, they’ll help you get your education,” Dickman asserts. He has never forgotten how individuals who believed in him made all the difference to his future. “I owe just about everything I’ve ever accomplished to DePaul and their willingness to stay with me. When I look at what my life could have been, I feel very grateful.”

Dickman made friends with the Rev. Thomas Munster, C.M. (LAS MA ’54), who held a number of positions at DePaul Academy and DePaul University, and Munster followed his career. “He contacted me after seeing an article about me in the Tribune,” says Dickman, “and asked if I had been back to the university. He took me on a tour of the downtown campus and talked about the future and the plans they had. It was then that he convinced me to become a monthly donor, and I’ve been doing so ever since.”

The changes Dickman saw then and has witnessed over the years have been nothing short of amazing to him. “When I went to the university,” he recalls, “I think there were three buildings. The gym was called ‘the barn,’ and it was
Importance of Estate Planning

“I don’t need estate planning: I’m not rich enough to have an estate.”

Let’s be perfectly clear: everyone who owns property – a home, life insurance, bank accounts, investments, automobiles, IRAs and personal property – needs estate planning. Most people want to make the most efficient use of these assets during life and then pass their property to heirs and the worthwhile causes they support in an orderly, economical fashion.

A $5.43 million exemption from estate taxes (indexed for inflation) means only a few thousand estates per year will be liable for estate tax. Everyone should remember, however, that estate planning involves much more than estate taxes. It also involves planning for thoughtful distribution of assets at death, reduction of estate expenses such as probate, state death taxes and income taxes on retirement accounts – and for leaving a legacy to future generations.

Maximizing these objectives requires a written plan that can range from simple to elaborate. Basic components of an estate plan typically include:

• A will that is reviewed and updated on a regular basis;
• A trust, in many cases, that is established during life for revocable living trust or included in one’s will for the purpose of protecting family members, reducing probate costs, or both;
• Coordination of one’s will or living trust with joint ownership or beneficiary arrangements, such as life insurance and retirement accounts, that transfer assets independent of the will or trust;
• A letter of instruction to your executor describing how personal items should be distributed;
• A personal affairs record providing details about your assets, funeral and burial instructions, location of important documents, etc.

Take time to review your will, trusts and other estate planning arrangements. In the process, consider making or augmenting a bequest to DePaul University. Special opportunities exist for tax-wise legacies from IRAs and other retirement plans, life insurance and financial accounts. Keep in mind that you can make a bequest to DePaul University that also provides lifetime income to a spouse or other person.

On Your Mark, Get Set . . . Wait

If you’re waiting for Congress to act before making a distribution from your IRA to DePaul University this year, you may have to hold off a little longer. The provision that allows IRA owners ages 70½ and older to make direct gifts to charity expired at the end of 2014. Renewal of the provision is included in the extenders package that is awaiting action in Congress.

Each year since 2006, eligible IRA owners have been able to direct the custodians of their accounts to send checks up to $100,000 to charity. Although no income tax charitable deduction is available, the distribution is not subject to tax, as it would be if the IRA owner made a withdrawal and then gave the funds to charity. Qualified charitable distributions also satisfy required minimum distributions, providing tax savings.

If you normally itemize your income tax deductions, consider having your gift to DePaul University made from your IRA, at least up to the amount of your required minimum distribution. If the law is extended, the gift will be considered a qualified distribution and you’ll avoid the tax you would otherwise owe on a withdrawal. If the law is not extended, you’ll be subject to tax, but you may receive an offsetting income tax charitable deduction. Call us if you have questions about making gifts from your IRA or the status of the renewal.

Advantages of “Accelerating” Bequests

People who support DePaul often find it both satisfying and economically advantageous to accelerate estate gifts into lifetime contributions, including arrangements that give back lifetime income to themselves or others. Benefits may include:

• Income tax charitable deductions;
• Avoidance of probate costs on contributed assets;
• Personal recognition for donors’ generosity during their lifetime;
• Option to receive fixed or variable payments for life;
• Reinvestment of appreciated assets with little or no capital gains tax.

Donors can benefit both the causes they cherish and family members using the same assets through lifetime charitable remainder trusts or charitable gift annuities. Both arrangements offer income tax deductions, and gift taxes generally won’t be a problem, thanks to a $5 million gift tax exemption. Furthermore, beneficiaries will benefit from the money management or trusteeship services these vehicles provide. Here are some other ideas:

• Landowners can make a gift while retaining use of a residence or farm for their lifetime. These gifts provide income tax deductions, avoid probate and avoid state and federal estate taxes.
• Vacant land or a vacation home that is no longer being used can be transferred to a trust that will sell the property, reinvest the proceeds free of capital gains tax and make payments for life. If established during the owner’s lifetime, an income tax charitable deduction is available.

To learn more about these gift ideas, please call our office.