A Great Way for Your Family to Give and Get

A Portland family recently found a way to participate in meeting the Knight Cancer Challenge and at the same time to arrange for their grandchildren, who now range in age from 13 to 22, to receive an inheritance when they are better able to handle the assets.

The key to the gifts—to the grandchildren and to OHSU—was the charitable lead trust, one of the most underutilized planning strategies for helping both family and philanthropy. And, yet, despite its rarity and its complexity, it is very useful in benefitting charity and passing assets to family and loved ones—or even returning assets to oneself.

Pete Sommerfeld, senior philanthropic advisor, was a member of a lead trust team, bringing together the donors, investment advisors, attorneys and bankers all interested in meeting the Knight Cancer Challenge. A lead trust gift is complex, and Pete found that it did take a village to produce a successful result.

**Here’s how a charitable lead trust works:**

Under a lead trust agreement, a donor contributes assets to a trust from which a nonprofit organization will receive distributions for a set number of years or for the life of an individual. When the...
Example: Suppose you would like to give $1 million to loved ones when they become mature enough to manage and spend the funds wisely. You also do not wish to pay gift or estate tax on the amount given.

After considering a number of options, you decide to use $1 million to create a charitable lead trust that will provide for charitable gifts of 6 percent of the amount used to fund the trust, or $60,000 per year to the OHSU Foundation, for 20 years. You choose the time period and payout rate at the time you establish the trust.

The gifts to OHSU from this plan will total $1.2 million, substantially more than the amount originally placed in trust. At the end of 20 years, the remaining assets in the lead trust will be distributed to the person(s) you named at the time the trust was created.

Because you are making gifts to your heirs when you fund the trust, federal gift tax would ordinarily be due on the entire amount placed in the trust. But since charitable gifts will be made from the trust over time, you may claim a tax deduction that will reduce or even eliminate gift taxes otherwise due. The amounts transferred in this manner will also pass free of estate tax because they have been removed from your taxable and probate estate.

The tax benefits of lead trusts are especially attractive in times of relatively low interest rates. Today, with careful planning, the tax may be only a tiny percentage of what would otherwise be due if the assets were given to the heirs outright, and sometimes even eliminated entirely.

The outcome: A family who had seen too many friends and loved ones suffer from cancer was able to make a substantial gift to the Knight Cancer Challenge and also arrange for their grandchildren to receive assets when they are more mature, better able to manage their inheritances and more likely to need them for purchasing homes and raising families of their own—all while lessening the family’s tax burden.
Should I Write My Own Will?

While a lead trust may not be part of most people’s estate plans, everyone should have a will. When faced with the prospect of making a will, many people wonder: Can’t I just write it myself? After all, it seems like a fairly simple matter to put in writing how you want your property to be distributed, and there are plenty of commercially available do-it-yourself will documents and programs that promise ironclad results.

**Ensuring your will is valid**

Unfortunately, what most homemade wills save in time and attorney’s fees is not worth their eventual cost to your loved ones. Many such wills are declared invalid by the courts. Others contain errors that create unnecessary confusion and delays.

Unless your will is drafted by a competent attorney who knows your state’s laws, there’s no guarantee that it will be legally valid.

**Money well spent**

So how much does an attorney charge for writing a will? That depends on how simple or complex your plans are, but the cost is generally less than you think. Ask your attorney in advance about the fees—it’s a question they answer routinely.

Enlisting the aid of a trusted attorney is the best way to ensure that your will works as you intend. Think of it as a modest investment in the future well-being of your loved ones, as well as in your own peace of mind.

If you do not have an attorney, ask friends or relatives or your local bar association for recommendations. Once your plans are in place, regular reviews will ensure that your wishes are kept up to date.
Join Us!

Have you joined us? Since July 2012, we’ve welcomed 223 new members to the Sam Jackson Guild and Frank Doernbecher Guild! Support the future of OHSU and Doernbecher by making a gift in your will or trust or by including us as a beneficiary of your retirement account, insurance policy or investment account.

And if you have already included OHSU or Doernbecher in your estate plans, please let us know. Contact one of our gift planners listed on the back cover, or visit us online at giftplanning.ohsufoundation.org or giftplanning.dchfoundation.org. Thank you!

Meet the Knight Challenge

We are getting closer to raising $500 million by February 2016 to secure a matching gift from Phil and Penny Knight to end cancer as we know it at the OHSU Knight Cancer Institute. The Knights have allowed us to count gifts planned in wills or trusts towards this goal.

If you would like to join the Knight Cancer Challenge in this way, please request a Revocable Gift Notification form by calling Erica Armstrong (503 220-8318), Ann Barden (503 412-6355), Mike Macnab (503 552-0702) or Pete Sommerfeld (503 220-8328).
(Please fold and tape closed before mailing)

Name ____________________________________________
Spouse’s Name _____________________________________
Address ___________________________________________
City _________________________________________________
State ________________________ ZIP

Phone (optional) ______________________________________
E-mail (optional) ______________________________________

(Please send us a copy of your complimentary booklet “Planning for the Future” without obligation.

I/we have included OHSU Foundation or Doernbecher Children’s Hospital Foundation in my/our estate plans.

I/we would consider including OHSU Foundation or Doernbecher Children’s Hospital Foundation in my/our estate plans.

If you would like to learn more about leaving a gift within your will, or if you have any questions, please contact:

Laura Sano
Manager, Planned Giving and Endowment Development
OSU Foundation
500 22nd Street, Suite 200
Portland, OR 97201

Phone: 503.494.4717
Fax: 503.494.4710
Email: Laura.Sano@ohsu.edu
Other Ways to Give

Your will is not the only way you can make a legacy gift to favorite charitable organizations. Other ways to give include:

- **Life insurance proceeds.** You can name OHSU to receive all or a portion of a life insurance policy, perhaps one that is no longer needed for its original purpose. Income and estate tax benefits can result from such a gift.

- **Retirement plans.** It’s easy to include OHSU as a beneficiary of your retirement plan. This is a tax-wise way to make a charitable gift, as amounts remaining in these plans at death may be subject to both estate and income taxes when left to individuals.

- **Savings, checking or investment accounts.** In most states, you can name a charitable organization as beneficiary of such an account through what is known as a “pay on death” (POD) provision.

- **Living trust.** If you are using a living trust to distribute assets, you can also include charitable gifts.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states.

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Researchers in OHSU’s Vaccine and Gene Therapy Institute are developing new vaccines to defeat HIV and other viruses.
Study identifies new genetic risk factors for autism

OHSU neurogeneticist Brian J. O’Roak, Ph.D., has published the results of a groundbreaking autism study in the journal Nature. O’Roak’s study has identified 27 genes that, if mutated, will either cause autism or contribute to its risk. The study is the most comprehensive look at the genetic makeup of families where one child is affected by autism.

“Ten years ago, when I began researching autism, we never would have predicted these genes and pathways would be involved,” said O’Roak, assistant professor of molecular and medical genetics in the OHSU School of Medicine and member of the Institute on Development & Disability at OHSU.

O’Roak collaborated with scientists at the University of Washington, Yale School of Medicine and Cold Spring Harbor Laboratory in New York. He recently was selected as a prestigious Alfred P. Sloan Research Fellow in neuroscience for his work.