The Importance of a Will — for Your Heirs

We received a phone call in November from a trust officer who informed me that the Hadley School was the beneficiary of a trust, along with four other charities. However, he said there was a problem. When the trust was created in the early 1980s, the first beneficiary was the gentleman’s adult daughter and she had just passed away without a will herself, therefore leaving no established funding for her burial.

Hadley was the trust officer’s first call intending to track down all beneficiaries and obtain their agreement to share the funeral costs. (It was later determined that Hadley’s distribution existed.) When Hadley President Chuck Young was informed of the story, he immediately said the woman’s needs should be handled and that Hadley’s distribution would cover the funeral costs up to a specified amount. He also asked if he could attend the funeral.

Hadley will receive a significant bequest* from the trust this year, but what is important from this story is that beneficiaries of trusts also need to have their own wills or trusts in order. Please encourage family and friends to share the importance of estate planning regardless of age.

“All non-restricted bequests received by Hadley are placed in our endowment fund, which is carefully managed by our Endowment Committee. The strength of our endowment continues to secure Hadley’s ability to provide tuition-free education for individuals who are blind or visually impaired.”

Shari Burton, Senior Development Officer, Planned Giving

Hadley Philanthropy Advisory Council

The Hadley School for the Blind is pleased to announce the formation of our Philanthropy Advisory Council, which will benefit Hadley benefactors and friends. The Council will help provide information to the school and its donors (through their advisers) on different ways to make gifts to the school, including strategic income tax methods; ways to avoid estate tax; and ways to make gifts to the school that allow the donors to retain income from the gift.

The Philanthropy Advisory Council is chaired by Louis S. Harrison, Esq., of Harrison, Held, Carroll and Wall and is co-chaired by Hadley Trustee Bill McClain of 401(K) Advisors. LLC.

Additional distinguished members include:
- Katarina McBride, Esq.
- Handler and Thayer
- Rita E. Luce, Esq.
- Robert T. Naper, Esq.
- Robert T. Naper and Associates, P.C.
- Robert Davidson, Esq.
- Harrison, Held Carroll and Wall
- Marc Leaf, Esq.
- Alexander Drapatsky, Esq.
- Stacey Singer, Northern Trust
- Alan Spigelman, RSM
- McGladrey
- Christopher J. O’Donnell, CFP
- Morgan Stanley Smith Barney
- Robert McNeill, RSM
- Stacey Singer, Northern Trust
- Rita E. Luce, Esq.
- Handler and Thayer

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TheHadleySchoolfortheBlind
700ElmStreet,Winnetka,IL60093•www.hadley.edu
**Remembering Hadley’s Important Role**

When Betsey Puth moved to Winnetka in 1976, the last thing she planned to do right away was get involved with an organization. That changed very quickly when her neighbor, Katie Keelsey, told her the Hadley story and asked Betsey to join the Hadley Woman’s Board. In a short time Betsey took on a major role in the annual Braille Holiday Card sales and became active with Hadley’s garden. By 1979, Betsey, along with her husband John, joined the Board of Trustees. John served as Board chair during 1982-84 and Betsey, during 1989-91. She also served as Woman’s Board president during 1985-87. Betsey went on to coordinate art shows for Hadley in the 1990s.

Betsey continues to be impressed with Hadley’s simple but moving force for braille literacy. The terms of the trust as the creator determines, so the creator can determine the charities to be benefited, the eventual individual beneficiaries, the annuity amount, the type of investments in the trust and the length of the charitable interest.

For our current discussion, we are focusing on CLATs and IDITs. Selecting a strategy depends on one’s objective. And an important technique in these low interest rate times is the Charitable Lead Trust, known as a “CLAT.”

The CLAT can reduce estate taxes, and should be for individuals who:
1. Want to benefit charities in a meaningful way;
2. Believe that a future investment return can be achieved that will be greater than the rate associated with the federal midterm bond rate; and
3. Have transferred (or will under their Will transfer) sufficient assets to their children and grandchildren, but as to a certain amount of assets, would be willing to transfer more to them free of estate tax.

**How it Works**

A CLAT is an unchanged trust in which one or more charities receive an annual amount, called an annuity, for a period of years. At the end of the period of years, any amount that remains in the trust is distributed to the children or others as the trust prescribes. The terms of the trust are as the creator determines, so the creator can determine the charities to be

Betsey Puth, pictured on the cover, was the first deafblind African-American to earn a college degree. She still teaches a Hadley course in poetry. On her 95th birthday she reminded us: “When we occupy ourselves with all we can do, we are much too busy to worry over what we cannot do.”