Charitable Gift Annuities: Legacy Gifts with Practical Advantages

When Catherine Stroube Hazlett, ’40 (German studies), was a first-grader in Palo Alto, she was fascinated by the Stanford students rushing around town collecting wood for the Big Game bonfire. “That’s when I made up my mind I would go to Stanford,” she says. When she arrived at the Farm in 1936, men still outnumbered women on campus by about 2-to-1, and the attention they lavished on their classmates was memorable.

“One Valentine’s Day, the boys from Sigma Alpha Epsilon always serenaded the women’s dorms,” says Catherine. “One year Perry Como was their surprise guest!”

Like many alumni, she has cheered the Cardinal on at football games, attended reunions, and contributed regularly to The Stanford Fund. In recent years, her primary connection to the university has been through her travels. She has taken numerous Travel/Study trips with the Stanford Alumni Association; South America, Easter Island, and China have been among her more exotic destinations.

One memorable trip was a cruise from Singapore to Hong Kong with other members of the Class of 1940. “There were around 30 of us on that cruise,” Catherine recalls. “One couple celebrated their wedding anniversary and had a party on board the ship.” Her class was especially fortunate in its travel opportunities: Carné Linder, ’40 (German studies), owned a travel agency in San Mateo and organized several reunion tours, including the Singapore cruise.

Carné also told Catherine about the way she had included Stanford in her estate plans. Rather than leaving a bequest in her will, she had established several charitable gift annuities that would serve both as gifts to Stanford and as reliable sources of retirement income. Catherine learned more about charitable gift annuities from the Office of Planned Giving and decided to do the same.

“I had already provided for Stanford when I set up my trust,” says Catherine, “but by giving them the money now, I could make use of the income and still be certain that they’ll end up with at least a certain amount.” Practical and generous, Catherine has taken this approach with several of her favorite charities.

When Carné passed away in 2005, Stanford used the funds she had donated to establish the M. Carné Linder...
“He told Karen he was almost ready to do heart-lung transplants in human patients,” Betty recalls, “and he asked her if she wanted to be the first. She thought it over and said, ‘I think maybe I’d like to see how it goes with somebody else.’”

The first two transplants, performed by Dr. Shumway and Dr. Bruce Reitz, were successful. A few months later, Karen became the third. “I never had any second thoughts,” she told reporters on the eve of her surgery. Betty spent the night in the surgical waiting room alongside Turner, Karen’s devoted stepfather. The operation was more complicated than expected, and Karen died three days later.

The Brashears remained close to the surgical team. When Turner needed bypass surgery several years later, he “didn’t want anyone but Shumway.” Wanting to support the doctors’ research, they amended their wills to include a donation in Karen’s name to the Department of Cardiovascular Surgery.

“Research by these wonderful doctors—who never gave up—was the reason we had Karen as long as we did,” says Betty. “It’s not just for Karen’s memory, but for people who are still doing this research. There is more to be done.”

Now in their 80s, Turner and Betty Brashear first came to Stanford under more difficult circumstances. Betty’s daughter, Karen Lee Wilson, was born in 1953 with a severe heart defect. Faced with a bleak prognosis, Betty sought out the best, most forward-thinking doctors in the country—a search that led her and Karen to Dr. Norman Shumway, the head of Stanford’s cardiovascular surgery program.

“There was such a rapport between them,” Betty says of Shumway and her daughter. Karen was his patient for more than 10 years. “She really did love him … it was mutual. I think he was as saddened by her death as anyone.”

Throughout her teens and 20s, Karen fought for a normal life. Shumway was a fighter, too: When other surgeons gave up on heart transplantation after early failures, he persevered. By 1981, Karen’s heart and lungs were failing, and Shumway was close to a breakthrough. Neither one would give up easily.

CACatherine Stroube Hazlett, ‘40, near her home in Long Beach, California

REMEmBERING A DAAUGHTER, ADVANCEERING RESEARCH

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Now in their 80s, Turner and Betty are still a part of the Stanford community. In 2005, they contacted Carol Kersten in the Office of Planned Giving to ask how they could add to the amount they planned to leave Stanford. Carol suggested a charitable gift annuity and explained the tax advantages.

“Because they created the annuity at Stanford with a gift of appreciated securities, they didn’t owe any capital gains tax when the shares were sold,” Carol says, “and they also received a substantial income tax deduction.”

Stanford reserves and invests the gift proceeds during the Brashears’ lifetime. After they die, the remaining assets will establish the Karen Lee Wilson Fund for stem cell research related to the heart and lungs.

“I hope this research will lead to better chances for children born with heart defects,” says Betty. “Or better yet … stop the defects from occurring in the first place.”
Recent Estate Gifts

Stanford is grateful to the generous alumni and friends who remembered the university in their estate plans. These gifts make a difference across the university. A sampling of recent gifts received from estates appears below.

EDWIN BORMANN, ‘34, MD ’38, directed a portion of the residue of his trust estate to the School of Medicine for research. His gift totaled $3,189,473.

IDA P. CARTER, a friend, left a portion of her Keogh retirement account, resulting in a gift of $432,634. In addition, the Department of Earth Sciences Library to support acquisitions in the fields of mineralogy, crystallography, or volcanology.

ANTOINETTE HOWELL, a friend, provided $2,180,000 from her estate residue to fund the purchase of rare books for the Cecil H. Green Library. She also left her own book collection to the university.

NORMAN W. KAVANAUGH, JD ’53, left a gift of $5,000 to Stanford Law School.

CRANE JOHNSON, ’49, assigned to Stanford the copyright and all other rights to his 1974 play, Dracula. This adaptation of Bram Stoker’s classic novel had a successful run on Broadway and is still produced in regional and community theaters across the country.

HENRY E. MADSON, a friend, left a residual bequest valued at $212,078 to Stanford University Medical Center for cardiac research.

CHANDLER O. MEYER, a friend, arranged for part of his trust estate to come to Stanford after it was used to support his wife and son. His gift, totaling $281,289, has established a fund to benefit graduate students in the mathematics department.

MILTON JAMES RENSINK, MS ’71, named the School of Engineering as the beneficiary of his Keogh retirement account, resulting in a gift of $18,088 for its unrestricted use.

5. When the gift annuity ends upon the death of the beneficiaries, its remaining principal is then available to Stanford to be used in the manner you’ve designated.

There are several variations on this structure that help donors meet individual goals. If you want to learn more about gift annuities or other life income gifts, please contact the Office of Planned Giving at 650.725.4358.

Please Note: Lower rates will go into effect on July 1, 2008. To take advantage of the rate structure below, be sure to act before June 30.

Stanford Charitable Gift Annuity Rates

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Rates shown are for a single life annuity and are approved by the American Council on Gift Annuities through June 30, 2008. If you want to include your spouse/partner as an annuitant, please contact the Office of Planned Giving or use our online calculator, plannedgivingcalculator.stanford.edu, for current one- and two-life annuity rates.
**TAX TIPS**

Now that the 2007 tax season is over, it’s not too soon to start planning for 2008:

- The IRS discount rate used to calculate the gift and estate tax deduction for charitable lead trusts is close to a historic low, so this is an excellent time to set up a lead trust that supports Stanford currently and provides for a future transfer to heirs (usually children) in a way that minimizes or even eliminates gift and estate tax.

- The IRA contribution limit for 2008 has increased to $5,000 annually ($6,000 if you are 50 or older).

- High-income taxpayers can keep more of their personal exemptions and itemized deductions in 2008. Limits on deductions are reduced from 2007 levels and are scheduled to be completely eliminated by 2010.

- New in 2007, still important in 2008: Contributions to charitable organizations are only deductible if you keep a written record of the donation. If you need a replacement copy of a receipt for a gift to Stanford, please contact the Office of Gift Processing at 650.725.4360.

- The provision that allowed for tax-free transfers of IRA distributions to public charities expired at the end of 2007. As this issue goes to press, Congress is considering plans to renew and extend this provision.

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**THE FOUNDING GRANT SOCIETY**

The Founding Grant Society recognizes and honors those extraordinary individuals whose estate and life income gifts will provide future support for Stanford, including the School of Medicine, Stanford Hospital & Clinics, and the Hoover Institution. According to its charter, the society “is intended to convey to those whom it honors that in so acting, the Stanfords’ university also becomes their university, and that each individual act of support reaffirms the Stanfords’ promise to children of the future … that it will be better, that they are needed to make it better, and that a legacy of education will serve them more than any other.”

The society is open to all those who provide support for Stanford in their estate plans, through wills, trusts, life income gifts, IRAs, retirement plans, life insurance policies, and other vehicles. Membership does not involve dues or obligations of any kind, and membership information is never shared with other organizations.

The university holds special events for Founding Grant Society members, including student performances and lectures delivered by the university’s top scholars. Members who have given permission to list their names are also recognized from time to time in *Remember Stanford* and in other publications. If you think that you may qualify for membership in the Founding Grant Society and would like to join, or would like information about member events, please contact the Office of Planned Giving at 800.277.8977, ext. 54358 or 650.725.4358.

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