Estate and Gift Planning Information for Friends of Dartmouth Medicine

# Giving with Vision

Spring 2009

Dartmouth Medical School | Dartmouth-Hitchcock Medical Center

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## campaign update

Gifts to the Transforming Medicine Campaign exceeded $30 million for calendar year 2008, bringing the Campaign total to more than $225 million as of December 31st. The year was notable for the continued growth in the breadth of support for the Campaign. A record-breaking 31,000 donors made gifts to Dartmouth-Hitchcock Medical Center and Dartmouth Medical School —the highest ever participation in a single year.

This philanthropic support is felt throughout our medical center and beyond. The investments our donors are making in patient care, medical education, and scientific research are transforming health care in our region and setting the standard for the nation.

To learn more, please visit **www.transmed.dartmouth.edu**.

The Campaign.
transforming medicine
Dartmouth Medical School
Dartmouth-Hitchcock Medical Center

*Dear Friends,*

*Dartmouth-Hitchcock Medical Center is here for you and your family 24 hours a day, seven days a week because of the generosity of thousands of friends throughout the communities we serve. Whether helping those who live with chronic diseases to manage their health and quality of life, providing compassionate end-of-life care, bringing new discoveries to the bedside of cancer patients, or preparing doctors who will be leaders in patient-centered care and medical discovery, Dartmouth medicine is committed to being there for you, despite the economic challenges and uncertainties we all face.*

*During these turbulent times, many donors are looking for ways to sustain their commitment to charitable giving. In this issue of "Giving with Vision," we explore some simple deferred giving strategies, such as bequests and retirement accounts, as a way to do just that. By including Dartmouth-Hitchcock Medical Center or Dartmouth Medical School in your estate plan using one or more of these simple tools, you can stay the course with your philanthropic interests. Please do not hesitate to call if we can be of assistance.*

*Sincerely,*

*Victoria L. Peiffer*
*Assistant Director of Gift Planning*

## In the News

### NH & VT Lead Nation in Access to Palliative Care

A new survey shows that despite being two of the most rural states in the United States, New Hampshire and Vermont are among the top states in the country when it comes to offering palliative care to residents.

The ranking, by the Center to Advance Palliative Care and the National Palliative Care Research Center, is a recognition of DHMC's leadership in palliative care under Dr. Ira Byock, Director of Palliative Medicine at DHMC. Byock is a nationally acclaimed expert in the field and an advocate for the rights of dying people and their families.

"This ranking is a rewarding validation of the work that has been done to date," said Byock. However, he noted that rural areas of the country in particular still need to do more to improve access to palliative care. DHMC's efforts to address this need include a collaboration with care providers in Littleton and Lancaster, NH, and St. Johnsbury, VT, to strengthen and expand hospice and palliative care in rural areas. To learn more about how you can help, contact the Development Office at (603) 653-0733.

## Who Benefits from your Retirement Account?

During our working years, retirement accounts offer us many benefits. The money we save in them can reduce our taxable income, employers often match our contributions or add to the accounts on our behalf, and the accounts grow untaxed until we make withdrawals.

However, when we die, the beneficiaries we have named on a retirement account will have to pay federal and state income tax when they withdraw the funds, making this a very expensive gift. Depending on what state they live in, up to 40 percent of this inheritance could be lost to income taxes.

The value of a retirement account may be further eroded by the estate tax, which could be as high as 45 percent. As a result, the total cost of income and estate taxes could leave your beneficiaries with only 15 cents for every dollar you saved in your retirement account. Does paying an 85 percent tax on a lifetime of savings sound like something you want to do?

A popular solution to reducing this tax burden is to review how you have included charitable giving in your estate plans. If you wish to make a charitable gift at your death, you may want to consider making it from a traditional IRA, 401k, 403b, profit sharing plan, SEP, or Keogh retirement account. The charity you choose will not have to pay income taxes on the withdrawal, and the gift will not be subject to the estate tax.

It's simple to arrange to gift a retirement account to DHMC or DMS after your death. All you need to do is update the beneficiary designation form for the account. This offers an easy way to maximize your charitable giving to causes you care about, while leaving your family and friends other assets that won't be as heavily taxed.

### DHMC's Trauma Care Recognized

DHMC is one of only three medical centers in northern New England designated an Adult Level 1 Trauma Center by the American College of Surgeons (ACS) Committee on Trauma, and the only health care facility in the region with a Pediatric Level 1 Trauma Center designation. Level 1 is the highest designation given by the ACS, which commended DHMC for its "demonstrated commitment to provide superior trauma care." The Trauma Program handled more than 1,500 cases in 2008.

## Dr. Lee Bartholomew:
# A Gift of Gratitude

Planning for the distribution of one's assets through a will or trust is an intensely personal and reflective process that can provide a means to express gratitude for people and institutions that have touched our lives deeply. This is often the case for those, such as Dr. Lee Bartholomew, who remember Dartmouth Medical School or Dartmouth-Hitchcock Medical Center in their wills.

"I think DMS gave me an excellent education," says Bartholomew, a member of the class of 1948. "I feel I owe Dartmouth a large share of what I have learned over the years."

The United States was in the grip of World War II when Bartholomew arrived at Dartmouth College as a freshman in the fall of 1944. Just four years later he had earned his undergraduate degree and completed his first two years of medical training at DMS. Bartholomew was one of thousands of students to participate in the V-12 Navy College Training Program during the war years—a government-funded, accelerated, year-round academic program. But despite the rigor of his undergraduate and medical school years, he remembers DMS fondly.

"It was just a grand experience. I enjoyed the whole thing. Of course we studied all the time. Our classes ran from 8 until 5 and on Saturdays until noon. That was because of the war—they were trying to get doctors, so they were pushing all of the med schools."

At that time, DMS was a two-year school with a student body of fewer than 50 students. "It was a very close-knit group," says Bartholomew. "They've remained



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## Deferred Giving Looks to the Future

Deferred gifts are gifts that you establish today, but which may not go to the charity of your choice for many years. In both good times and bad, many people find deferred gifts to be a means to make more significant contributions than they could through immediate gifts of cash or other assets. These gifts may also reduce the impact of estate taxes, allowing you to pass on more of your assets to the people and organizations that are important to you.

There are several types of deferred gifts, but all of them fall into one of two main categories: revocable and irrevocable.

### Revocable Deferred Gifts

These are gifts that the donor can change at any time. This type of gift includes providing for DHMC or DMS through a bequest in your will, as the beneficiary of a life insurance policy, or as the beneficiary of a retirement savings account. These gifts provide a future benefit to DHMC or DMS, and while there may be estate tax benefits, there is no immediate financial benefit or tax deduction to the donor.

### Irrevocable Deferred Gifts

These are gifts that the donor commits to today, and which DHMC or DMS can plan on for future use. In addition to providing future philanthropic support, donors may also receive immediate financial benefits. Depending on the type of assets gifted, donors may bypass income taxes on the sale of the asset given, increase their spendable income, and/or receive an immediate charitable income tax deduction. There are numerous ways to structure these gifts, including as a Charitable Gift Annuity, a Charitable Lead Trust, a Charitable Remainder Trust, or a Retained Life Estate.

Whichever type of giving seems right for you, we recommend working with an experienced estate planning attorney who will help you determine the best way to meet all your family needs and philanthropic priorities.

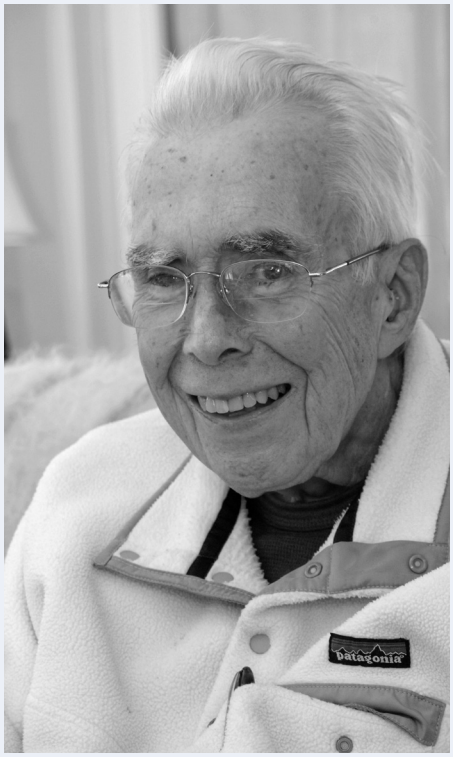
We welcome and are grateful for all deferred gifts, recognizing that these will continue to advance the high quality of medical care, research, and teaching that DHMC and DMS provide.

my best friends over the years."

The close contact with his professors that the school's size allowed, and the love of teaching that his DMS mentors modeled, seems to have rubbed off on him. "I love to teach—that's really been the highlight of my career," says Bartholomew, who went on to a distinguished career in rheumatology at the University of Michigan and then Albany Medical College.

His gratitude to DMS has inspired his loyal support of the Fund for DMS over many years. But Bartholomew wanted to do more for DMS. "So I decided I would provide a reasonable amount in my will," he says, explaining that he has included an unrestricted bequest to DMS in his will, in the form of a percentage of his estate.

By making an unrestricted gift, Bartholomew knows that his gift targets the Medical School's greatest need—for a flexible source of funds that can be used when and where needed most, depending on circumstances at the time his gift is received. In the case of bequests and other planned gifts whose maturity dates are not predictable or may be years in the future, this approach to giving is simple for the donor and always a benefit to DMS. "It's an easy way to do it," notes Bartholomew.



# In Your Will— Leaving Your Legacy

Dartmouth-Hitchcock Medical Center and Dartmouth Medical School have many loyal donors whose annual gifts play a vital role in supporting current operations, endowment, and facilities and equipment needs. These donors value our superior patient care, leading-edge research, and patient-centered medical education. Many are grateful for the care they or a loved one have had at DHMC or the outstanding education they received at Dartmouth Medical School. If you share this feeling of gratitude, please consider making a deferred gift to DHMC or DMS.

The most common form of deferred (or future) gift is through a bequest in your will. A bequest allows you to maintain control of your assets until your death. Only then will the charities you have named receive your gift. The bequest can be:

- A specific percentage of the estate, which allows you to keep the division of the estate residue in desired proportions, regardless of it size; or
- The balance of your estate after all other commitments are fulfilled.

A gift without restrictions is most useful because it allows us to apply the funds to our greatest needs at the time it is received; however, you can also choose to specify in your will how the funds are to be used.

Unfortunately, many people die without a will. In this case, the state's probate laws may dictate how the assets are distributed. This distribution formula rarely reflects one's personal intentions and will very likely exclude one's charitable interests altogether. While a will can be modified at any time during one's lifetime, the consequences of not having a will are unalterable.

If you already have a will in place, it can be easily updated, as needed, with a simple amendment (codicil) drafted by your attorney. A codicil is used to address changing personal interests and needs (as well as major life changes) without having to draft a new will. It's a good idea to review and update a will or trust every three to five years.

**EXAMPLE:**
Matilda Walls wanted to make a gift to Norris Cotton Cancer Center for cancer research. Although her husband died of the disease several years earlier, she has never forgotten the compassionate care he received, the attention of his doctor, and the time the nurses spent with her. In memory of her husband, Matilda has decided to leave 10 percent of her estate to the Cancer Center.

We encourage you to consult an attorney to create or update a will or trust that includes the people and organizations most important to you. Please feel free to contact us to discuss your interests and appropriate language to include Dartmouth-Hitchcock Medical Center or Dartmouth Medical School in your will or trust documents.

## DHMC Unveils New State-of-the-Art Training Center

A new Patient Safety and Training Center, opened in November, supports DHMC's commitment to continuous learning by its medical staff. Using high-tech, lifelike mannequins, and actors trained to simulate patient interactions with caregivers, the new facility allows medical staff to refine their procedural expertise, teamwork, patient communication skills, and preparedness for rare events—all in a variety of hospital settings.

## We'd like to hear from you…

Virtually every activity we undertake at Dartmouth Medical School and Dartmouth-Hitchcock Medical Center in fulfillment of our mission can be enhanced through philanthropic support. A well thought out estate plan helps you provide for your loved ones and gives you the option of supporting people and programs throughout the Dartmouth medical enterprise.

We encourage you to contact the Office of Gift Planning as you work with your professional advisors to plan a thoughtful and beneficial gift-giving strategy that includes "giving with vision."

Dartmouth Medical School

Dartmouth-Hitchcock Medical Center

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