

# TEXAS LEADER

INVESTING IN THE FUTURE OF THE UNIVERSITY

Spring/Summer 2013

## Having it all

DONORS FIND A WAY TO  
GIVE BACK WHILE SUPPORTING  
THEIR YOUNG FAMILY







## Message from the President

Through the Campaign for Texas, our entire University community — including our alumni and friends — has the opportunity to build something great. Gift provisions that are put in place now and that the University will receive in the future ensure that The University of Texas at Austin will be strong in the decades to come.

Our younger alumni and friends are busy building their families, careers, and financial resources, and many of you may be working on estate plans for the first time. This issue of Texas Leader features stories about two couples — Marc and Stacie Goldman and Dan and Peggy Pitts — who have included gifts to the University in their plans, while still providing for the financial security of their loved ones.

This issue also includes an interview with the Honorable Guy Herman (B.A. 1972; J.D. 1977) of the Travis County Probate Court. Judge Herman discusses the realities of passing away in Texas without a will, and why it is so important that each of us takes responsibility for establishing an estate plan.

If you are working on your first estate plan, or revising an outdated plan, here are some questions to consider as you prepare to meet with your professional advisers:

- **What type of estate planning needs to be done?** Distribution of assets only? Or do you also need to reduce federal income and estate taxes?
- **What impact could your money have at UT Austin that would be the most meaningful to you?** How can you help ensure the continued greatness of our University? Do you own assets that could pass to UT Austin free of income and estate taxes that would otherwise be heavily taxed if you left them to individuals (for example, balances in retirement plans)?
- **Are there priority heirs?** Spouse or partner? Spouse or partner and children (or nieces and nephews)? Do any heirs have special needs or lack the ability to manage an inheritance? Are there heirs who don't really need or want your assets?
- **What do you want your heirs to be able to do or accomplish from lifetime gifts or inheritances?** Is there a minimum or maximum amount you want to give or leave to heirs? Do you have concerns about leaving your heirs too much?
- **Do you want your heirs to inherit total ownership of assets?** Do you want to pass assets on to the University after heirs have benefited from them for a time?
- **When do you want your heirs to inherit?** Do you want your heirs to inherit assets immediately after the estate is settled, regardless of their age at that time? Would you like to spread out distribution of lump sums at specific ages, such as at ages 21, 25, 30, 35, 40, etc.? Do you want to give one or more heirs ownership of an asset after the lifetime of someone else (multigenerational gifts or trusts)?
- **Are you interested in leaving a legacy gift to charitable organizations you have supported during your lifetime, thereby continuing your annual support forever?** Legacy gifts can honor or memorialize your family name or business.
- **Are you interested in a family philanthropic legacy that can provide for multiple-generation family philanthropy that continues your support of UT Austin and other charitable organizations and causes?**
- **If you have minor children, have you selected a guardian and person to manage their assets?**

The gift planning team here at The University of Texas at Austin — [giftplan@www.utexas.edu](mailto:giftplan@www.utexas.edu) — is available to work with you and your professional advisers as you consider a plan that reflects your priorities for yourself, your loved ones, and your University. If you haven't already, please join me in including a future gift to The University of Texas at Austin in your plans.

Thank you for your support of this great institution. Together we can change the world.

Bill Powers,  
President  
The University of Texas at Austin

# Avoid estate headaches with a little planning, says probate judge

What can go wrong when planning your estate? A lot, it turns out.

The moral: Don't take anything for granted, says a longtime Texas probate judge.

"You want to do planning, period, because you don't know when you might die," said Guy Herman, a Travis County probate judge since 1985 and 1977 graduate of the UT School of Law. A probate judge oversees distribution of a person's estate after his or her death, making sure the law and the person's wishes are followed. It gets especially tricky when someone dies without a will. (The term for dying without a will is "intestate.")

## Complications of dying intestate include:

- **It's more expensive.**
- **It takes longer to settle your estate.**
- **Your wishes might not be followed.**

Herman has some tips for avoiding the pitfalls that come with planning an estate.

### Make a will.

If you die without a will, your charitable wishes won't be fulfilled. Only people, not organizations, can receive the assets of a person who dies intestate. That's regardless of a person's pattern of giving while alive.

"If you die intestate it only goes to humans," Herman said. "It would never go to the university unless you have a will."

Without a will, don't count on the law to divvy up your estate the way you would have, especially if you've been married more than once and have children from multiple relationships, or if you want to distribute your assets unevenly among your heirs.

"It's very complicated," Herman said. "You're much better off to have a will because you can direct which persons and organizations get your property and how and when they get it."

### Don't use do-it-yourself forms.

"Internet wills are notoriously bad," Herman said. "They end up costing you more money because a layperson operating without legal advice invariably makes mistakes that will have to get resolved at great expense post-death."

Each state has its own probate laws, and they are not interchangeable, he warned.

### Hire an attorney.

"Not just any lawyer," said Herman. "You want to get a good lawyer who knows about wills, probate, and planning. While any lawyer can draft a will, you should make sure the attorney you hire is up to date on estate and tax law."

### Choose an executor you trust — and ask that person in advance.

When picking an executor, make sure it's someone qualified. Those disqualified from serving include convicted felons and people who have been deemed mentally incompetent.



### Keep your will in a safe place.

And make sure somebody knows where the original will is. If the original will cannot be found, there is a presumption that the will has been revoked. Although you can probate a copy of the will if the original cannot be found, it's more costly and it requires that the applicant overcome the presumption that the will has been revoked.

### Sign in blue, not black, ink.

### Be specific when naming heirs.

For example, don't just say you're leaving money to your brother; use his name.

### Finally, if you're close to your lawyer and would like to include him or her in your will: Find another lawyer.

Attorneys are prohibited from drafting wills that make gifts to them. ✨

# Having it all

## DONORS FIND A WAY TO GIVE BACK WHILE SUPPORTING THEIR YOUNG FAMILY

An education isn't all Marc Goldman got from The University of Texas at Austin.

"The network I was able to develop at UT has been a big factor in what I've been able to accomplish," said Marc, a real estate developer in Fort Worth. "If you believe you will want to live in Texas for the majority of your career, there's no better place to attend college than The University of Texas."

Marc says his real estate partner, a Duke University graduate, marvels at the network he has made through UT.

Marc and his wife, Stacie, graduated from UT in 1996. He earned a degree in economics while she earned degrees in Spanish and marketing. Both were active in campus life. During their time on the Forty Acres, Marc belonged to Silver Spurs, the service organization that takes care of Bevo, and Stacie was head cheerleader. He was a member of Zeta Beta Tau, and she belonged to Kappa Kappa Gamma as well as the academic honor society Phi Beta Kappa.

As loyal Longhorns, the Goldmans knew they wanted to give back to the university that changed their lives. They also wanted to show their children the importance of giving back to an institution that helped put them on the right track. The challenge was finding a way to do so while still providing for their three young children. With those goals in mind, the Goldmans included UT in their will, with the money going toward scholarships and faculty retention.

"You want to give back, but raising a young family can be challenging," Marc said. "The ability to give back through estate planning without having to write that check is a great way to do it."

UT can even provide suggested wording for people who want to include the university in their wills.

"It was a very easy process," Marc said.





The couple's gift will support the prestigious Forty Acres Scholars Program and will create a fund that the university president can use to retain top faculty.



The Goldmans are specifying that their Forty Acres scholarship go to someone who wouldn't otherwise be able to attend UT due to financial constraints. They want others to have the same opportunities they did.

"It's our way of giving back to UT and financially constrained students in Texas," Stacie said. "We were both really fortunate that our parents were able to give us the gift of an education at UT, and this pledge will allow less fortunate but ambitious individuals to receive that same gift."

Marc and Stacie believe a scholarship can change the lives of not only its recipients but also their families.

"We wanted to help change the course of a family for generations through education," Marc said.

"There are many great causes, but the gift of an education is a passion for us," Stacie said. "There's no better way to catapult someone into the world than through a quality education."

When it comes to building a better UT, the Goldmans know that top-notch students

are only part of the equation. That's why they're also giving to support faculty.

"We both feel strongly that a top-of-the-line teacher can have a lasting impact," Marc said.

"If you want to be a top-tiered university, you need the best professors to provide that quality in the classroom," Stacie said. "And when you have the best, other institutions want to hire them, so this hopefully helps the president retain those individuals."

A former pharmaceutical representative, Stacie is a stay-at-home mom to the

couple's 7-year-old son, Morgan, and 5-year-old twins, William and Charlotte. Time management skills she learned at UT have paid off in both those roles.

The couple's priority is their children, but they also want to help

future generations, which is why it made so much sense to include UT in their will. With a bequest, it's possible to make a difference without making a sacrifice.

"The ability to give back today through estate planning is a win-win for all involved," Marc said. ✨

**"The ability to give back through estate planning without having to write that check is a great way to do it."**

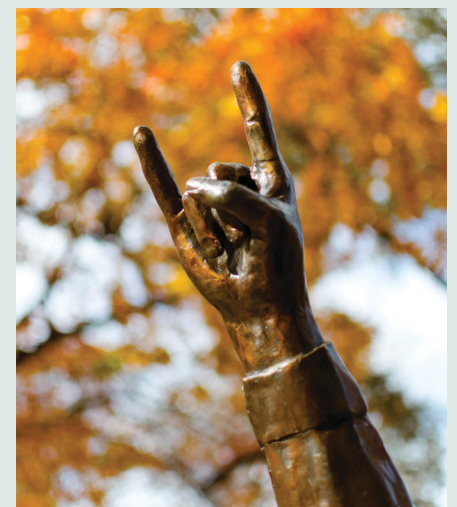
## Other benefits of giving

The satisfaction of helping others is just one of the ways the Goldmans are benefiting from giving to UT. Estate donors are automatic members of the Texas Leadership Society. TLS members, in addition to becoming university insiders, receive:

- A Texas Leadership Society pin.
- A complimentary subscription to the Gift Planning semiannual publication *Texas Leader*.
- An invitation to an annual luncheon with university leaders, faculty, and students who have benefited from donors' generosity.
- Invitations to other donor-only events.

Because part of Marc and Stacie's gift will support the President's Office, they also became members of the President's Associates. President's Associates are invited to special gatherings with the president and other university leaders, and they are kept up to date on the university's challenges and opportunities.

"We can receive all of the benefits of that gift today while appreciating the impact it will have for decades after we are gone," Marc said.



# Give now and give later: How a blended gift multiplied Round Rock couple's impact



Dan Pitts worries about talented college students who get caught in a financial no-man's-land — those whose parents make too much money to qualify for aid but not enough to fully pay for their education.

"I was in that middle group," said Pitts, a 1983 UT marketing graduate.

So Pitts and his wife, Peggy, created a scholarship to help students like him.

"I've always had it in my heart to want to give back," he said. "The passion I have for this school is hard to put into words."

The Round Rock couple has given what is known as a blended gift — they have given outright during their lifetimes and have a planned gift in place for after they're gone. Their outright gifts created the Dan and Peggy Pitts Endowed Scholarship in the McCombs School of Business. For their planned gift, they designated UT as the beneficiary of an IRA. Their IRA gift will be added to their existing endowment, allowing for even greater impact on students at the McCombs School.

"I've always felt like UT treated me so well here, and the quality of education was outstanding," Dan said. "All my friends went to school here, so it's always been kind of a family experience for me. Part of the endowment process and the estate planning was just to continue that family relationship."

Formerly a business unit executive at IBM, Dan is now a financial account executive with Experian. Peggy, a former schoolteacher, works as a program coordinator for UTeach in the College of Natural Sciences.

For Peggy, a graduate of the University of North Texas, it didn't take long after she married Dan in 2002 for burnt orange to flow through her veins and those of her two children.

"He changed us all into Longhorns," she said.

Now empty nesters, the parents of four still had children at home when they established their endowed scholarship in 2006. With a little extra forethought they were able to balance providing for their family with giving to UT.

"We're planners," Peggy said.

Dan and Peggy were able to make their gift go further through a matching-gift program with IBM, Dan's employer at the time. Many employers offer matching-gift programs; to see if you qualify, contact your Human Resources department or go to [matchinggifts.com/utexas](http://matchinggifts.com/utexas).

"The process was easy," Dan said.

Sarah Haas is this year's recipient of the Pitts scholarship; Matthew McCabe was last year's. Haas will receive a bachelor's in Plan II and a master in professional accounting when she graduates this year; McCabe earned his MPA last year. Both said the Pitts scholarship allowed them to focus on academics and passing the CPA exam.

"I can avoid taking out a lot of loans and also having to work full time while I'm in school," said Haas, who has a job waiting for her in Houston when she graduates.

For McCabe, now an accountant in Dallas, there were other benefits, too.

"It helped me further realize how important it is to give back," he said.

Someday he hopes to do the same.

"People are coming out of school with a lot of debt," he said. "If I can give back and help them fulfill their dreams, it would be awesome." ✨

# Your first estate plan — ways to support UT Austin

Estate planning is a process, not a one-time task, and the details of your estate plan will probably change during your lifetime. Here are some ways that you can include a future gift to UT Austin in your early estate plans, which can be reviewed and revised over the years:

- Designate a percentage of your retirement plan, proceeds from a life insurance policy or an employer-sponsored group term life insurance plan, or a bank or brokerage account to support what you love at UT Austin.
- Name the university to receive a percentage of your assets in your will or trust.
- Name the university as an alternate or “contingent” beneficiary to receive some of your assets if a loved one is not living at the time of your passing.
- Name the university to receive some of your assets if a loved one chooses not to benefit from your estate through a full or partial “disclaimer.”

Please use the following language when designating the university as a beneficiary:

\$\_\_\_\_\_ or \_\_\_\_\_ percent to the Board of Regents of The University of Texas System for the benefit of The University of Texas at Austin. This gift shall be used for the further benefit of (college, school, unit) and shall be used to (purpose). ☆



## TEXAS LEADER • Spring/Summer 2013 • INFORMATION REQUEST FORM

**Thank you** for your interest in supporting The University of Texas at Austin. If you would like additional information, please visit [giving.utexas.edu/giftplanning](http://giving.utexas.edu/giftplanning), call toll-free 866-4UTEXAS (866-488-3927), email [giftplan@www.utexas.edu](mailto:giftplan@www.utexas.edu), or complete this form and return it in the enclosed prepaid envelope.

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

☐ **I have already included UT Austin in my estate plans.**

**I would like information about:**

☐ IRA beneficiary designations

☐ How to include UT Austin in my will

☐ Other \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

☐ Please remove me from your mailing list.



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## 2013 tax law changes that affect giving options



As you plan your financial support to UT Austin in 2013, consider the following changes made to the federal tax law in early 2013:

### If you will be 70½ in 2013 — IRA charitable rollover gifts

Donors age 70½ or older are once again eligible to transfer up to \$100,000 directly to UT Austin from their IRAs without having to pay income taxes on the money transferred so long as the university receives the transfer not later than Dec. 31, 2013. Contact the gift planning team for instructions to share with your IRA custodian to authorize and complete the transfer.

### 39.6 percent federal income tax rate returns for 2013

Individual filers with income above \$400,000 and married couples filing jointly with incomes above \$450,000 will be subject to the new 39.6 percent federal income tax rate. Contributions to UT Austin from these taxpayers who also take itemized deductions could result in lower income taxes due, but only your tax adviser can precisely determine the impact of giving on your 2013 tax return.

### Gifts of appreciated securities even more attractive in 2013

#### Outright gifts:

Sales of appreciated securities by taxpayers in the 39.6 percent income tax bracket are now subject to two types of “profit” tax: (1) a 20 percent long-term capital gains tax, plus (2) the 3.8 percent Medicare surtax on investment-type income and gains, for a total tax rate of 23.8 percent. Both of these taxes can be avoided when appreciated securities owned for more than one year are contributed to UT Austin.

#### Gifts that provide lifetime income:

Appreciated securities that you have owned for more than one year can be contributed free of both types of “profit” tax to provide you and/or one other person with a fixed or variable lifetime income. You could receive more income than you are currently realizing. Then we will use what is left of the original gift to support what you love at UT Austin. ✧

## Sample will language

### Wondering how to include the university in your will?

Here's the language we suggest:

I hereby direct \$ \_\_\_\_\_ (or \_\_\_\_\_ percent of my residual estate) in cash, securities, or other property to the Board of Regents of The University of Texas System for the benefit of The University of Texas at Austin.

This gift shall be for the further benefit of

[college, school, unit] \_\_\_\_\_  
and shall be used to \_\_\_\_\_ [purpose] \_\_\_\_\_.

*As with any decision involving your assets, we urge you to seek the advice of your professional counsel when considering a gift to The University of Texas at Austin.*



**Cover:** Marc and Stacie Goldman's three children, Morgan, William, and Charlotte, are their priority. How do Marc and Stacie give back to their university while supporting their family? More inside.

**Texas Leader** is published each spring and fall for members of the Texas Leadership Society and other alumni and friends of The University of Texas at Austin. To submit story ideas, comments, questions, and address changes, please use the reply form and enclosed envelope, call us toll free at 866-4UTEXAS (866-488-3927), or email [giftplan@www.utexas.edu](mailto:giftplan@www.utexas.edu).

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