


Gift Strategies

HARVARD UNIVERSITY PLANNED GIVING NEWS



WINTER 2020

IN THIS ISSUE Season's Greetings; Reconnecting with Harvard; Q&A with Cameron Casey; UPG Virtual Events



"The culture I see at Harvard and the Radcliffe Institute is one of engaged and curious thinkers—purposeful yet open."

—THOMAS KELTNER AB '68



Season's Greetings

Staying connected is more important than ever.
We are truly grateful you are a part of
the Harvard community.

From all of us at University Planned Giving,
thank you for your commitment to Harvard
and we wish you a safe and joyous holiday season.

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RECONNECTING WITH HARVARD

Thomas N. Keltner Jr. AB '68 found a way to blend family financial planning with long-term support for the Radcliffe Institute for Advanced Study.



Tom Keltner and his wife, Paula.

For Tom Keltner AB '68, coming to Harvard as an undergraduate from Oklahoma transformed his understanding of the world and sparked a lifelong love of learning.

“Harvard was an intellectual and cultural awakening for me,” says Keltner, “and a place where I formed lifetime friendships.”

After graduation, he served stateside as a U.S. Naval officer for two years during the Vietnam War, then set out for Columbia Law School in New York City. Keltner didn’t expect to stay, until he fell in love with another Oklahoman-turned-New Yorker—Paula, now his wife of 48 years.

They have remained in New York ever since, raising two daughters: Katherine, an artist, and Jane, style director at *Architectural Digest*, each now raising the next generation of the Keltner family in New York.

Keltner began his career at a Wall Street law firm before moving to a private real estate company where, in a 42-year career to date, he became a partner and general counsel, then helped take the company public as Empire State Realty Trust. When he became more focused on estate planning, he wanted to show his gratitude for the career vision Harvard had given him.

With expert guidance from the University Planned Giving team and Radcliffe’s development staff, he and Paula decided to give a blended gift to Harvard—a permanent endowment through a charitable remainder trust, plus a pledge of annual giving to establish a dean’s leadership fund at

the Radcliffe Institute for Advanced Study, enabling the dean to have discretion in allocating all or a portion of the gift to Radcliffe’s endowment as well as immediate-use priorities. This format allowed them to retain income during retirement, support annual operations, and ultimately increase the permanent endowment of a chosen mission at the University.

“I was trying to maximize the impact I could make to a cause I believed in and still be conservative in my planning,” says Keltner. “This is a way of embracing Harvard, of feeling like I’m part of the community again.”

Opening Opportunity

Inspired by his daughters, he was drawn to Radcliffe College’s history of opening doors to women and its evolution into the Radcliffe Institute for Advanced Study. Today, the Institute remains a catalyst for intellectual and cultural leaders across many fields, who further Radcliffe’s historical mission of unlocking opportunity to those who aspire to new achievement.

Keltner’s friend and classmate Susan Wallach AB '68, JD '71 helped him understand Radcliffe’s mission and impact. A longtime supporter of the Radcliffe Institute along with her husband, Ken AB '68, JD '72, Wallach has served on the Radcliffe Dean’s Advisory Council since its inception and is the current chair. Keltner’s respect for her commitment and achievement there motivated him to center his giving on Radcliffe and its fellowship program.

PHOTO: COURTESY OF THE KELTNERS

“Harvard was an intellectual and cultural awakening for me, and a place where I formed lifetime friendships.”

—THOMAS KELTNER AB '68

Since 1999, Radcliffe has awarded over 1,000 fellowships, hosting leading scholars, scientists, artists, and practitioners from around the world for a year in residence as a community. “The fellowship program builds bridges,” Keltner says. “It reaffirms the value of human interaction on a human scale in a world which today sometimes tilts toward digital isolation.”

Leadership Guided by Empathy

Keltner was also impressed by the leadership of Tomiko Brown-Nagin, dean of the Radcliffe Institute for Advanced Study, Daniel P.S. Paul Professor of Constitutional Law at Harvard Law School, and professor of history in the Faculty of Arts and Sciences.

“I believe her goals are rooted in what she has learned through empathy for others, always with the discipline of a brilliant legal scholar and historian,” he says. Her authenticity and unselfishness, Keltner continues, solidified his decision to engage with Radcliffe on a deeper level.

As a recent addition to the Radcliffe Dean’s Advisory Council, Keltner values the opportunity to hear from University leaders on initiatives at Harvard, Radcliffe, and beyond. The Council gathers for dinner and lively exchange in the dean’s home before a full agenda of meetings the following day—all continuing in virtual format during the pandemic.

Keltner is proud to support Harvard’s work and grateful to those who encouraged him to get involved. “The culture I see at Harvard and the Radcliffe Institute is one of engaged and curious thinkers—purposeful yet open. It’s helped me to understand how privileged I am to have spent formative years at Harvard and now to be part of it again,” he says. “It’s an inspiring community.”

Charitable trust or annuity

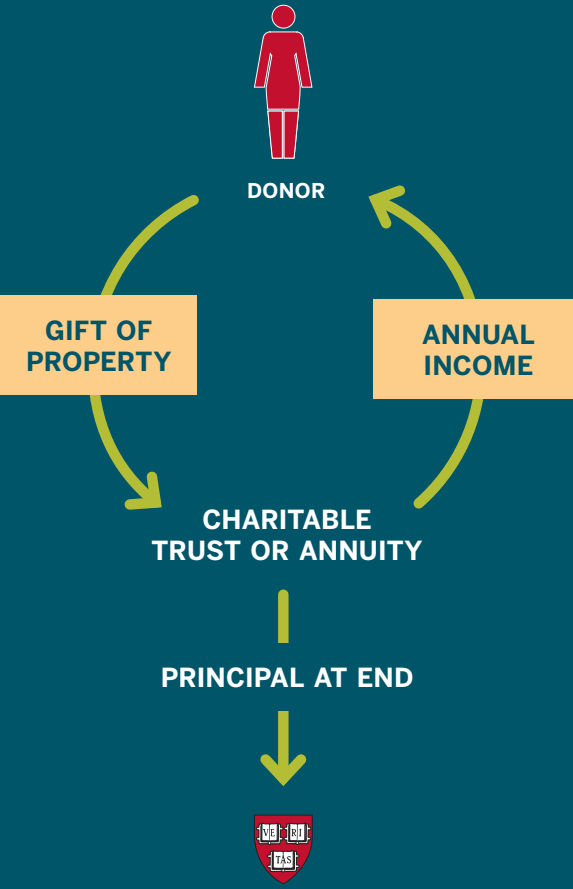


PHOTO: Caitlin Beirne AB '24 of Mather house practices her dance positions in Radcliffe Yard’s Sunken Garden. Soon declaring a Theatre, Dance & Music concentration, she is documenting her life as a College first-year during COVID-19.

FINDING A GIVING STRATEGY THAT WORKS FOR YOU AND HARVARD

A trusted Harvard advisor, Cameron Casey JD '03 offers expert guidance to nonprofits and their donors on charitable planned giving techniques as a partner at Ropes & Gray. In this Q&A, Casey explains recent tax law changes and a variety of options to consider for future financial planning.



“I decided to practice in this area because it’s really rewarding to help people plan some of the most personal areas of their life.”

—CAMERON CASEY JD '03

How did you first become interested in estate and charitable planning, and how does that inform your work now?

I decided to practice in this area because it’s really rewarding to help people plan some of the most personal areas of their life. Estate and charitable planning are about family, career, and legacy—it’s about the fruits of years of hard work and perseverance.

I love doing work for Harvard. The charitable giving component of my practice is especially satisfying because everyone is working toward a common goal: you have a generous donor who is interested in making a difference and an institution that is also making a difference. It’s a huge win for everyone.

What strategies would you recommend for people looking to blend family estate planning and philanthropic giving?

Split-interest gifts can benefit someone in your family or, in some cases, even yourself because you’re retaining an interest in the gift—the ability to receive a payment every year or every quarter, for example.

With a charitable remainder trust, you give property to a trust and retain an interest that allows for periodic payments from the trust to yourself, one of your family members, or other beneficiaries. When that stream of payments ends, the remaining amount is paid to Harvard.

Retirement plan assets can also be used to fund a charitable remainder trust at death, as payments can be stretched out for your surviving spouse, children, or other beneficiaries in an income tax-efficient way. Eventually, the remaining amount from your retirement plan assets in this trust can be paid to Harvard to fulfill your giving objectives.

A charitable lead annuity trust is the mirror image of the previous strategies. In this case, a stream of payments is paid to Harvard over a period of time. At the end of the term of the trust, the remainder is paid to your family, which can be structured on a tax-preferred basis.

Whether you have a particular estate planning goal or a philanthropic goal, the Harvard University Planned Giving team and Ropes & Gray can help you explore your options and find the right match.

This year has brought about a lot of tax law changes, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act. What planning considerations should people be aware of?

The CARES Act temporarily removes the 60 percent of adjusted gross income cap that usually applies to deductions for cash gifts to charity made by individuals who itemize their deductions. With this new law, taxpayers who itemize may claim a deduction of up to 100 percent of their adjusted gross income for cash gifts to qualified public charities in 2020. For people who don’t itemize, they can deduct up to \$300 for such gifts.

An additional provision also allows taxpayers to suspend required minimum distributions from IRAs and other qualified retirement plans for 2020. The opportunity to make a direct gift from your IRA—which is called a qualified charitable distribution—remains an efficient way to deploy assets in your IRA and accomplish your philanthropic goals at the same time. There are some restrictions: You must be at least 70½ years of age, your gift can be no more than \$100,000 in cash, and it must be given directly to a public charity. Likewise, despite the pandemic, the stock market has done well this year. Making gifts of appreciated marketable securities is still a solid way to give now and in the future.

How would you advise someone who has a portfolio of non-cash, illiquid assets?

A gift of illiquid assets, including real estate, partnership interests, or shares in a private business, can be a terrific opportunity for people who would like to stretch their giving portfolio. Since these assets tend to be a little bit more complicated, it’s important to drill down and carefully understand any applicable restrictions, debts, or liabilities that may exist with respect to these assets. Harvard has excellent resources to help you evaluate whether illiquid assets might be a good fit for charitable giving.

How might people benefit from the individual gift and estate tax exemption before it’s scheduled to change in 2025?

There’s a lot of attention right now on the gift and estate tax exemption, part of the Tax Cuts and Jobs Act that was passed at the end of 2017. The exemption is \$11,580,000 per person in 2020—meaning that

during one’s lifetime or at death, one can give away up to that amount, and a married couple can give up to \$23,160,000. The exemptions are indexed for inflation.

Under current law, the exemption is scheduled to revert to significantly lower levels in 2025, but the exemption might revert back to lower levels even sooner if the law is changed. This exemption is applied to any taxable gift—whether it’s a gift to children or others, outright or in a trust. While there is an impetus to use the exemption before it goes away, it’s also important to maintain one’s own financial security when considering large lifetime gifts.

In this historically low interest rate environment, are there gift vehicles that are particularly advantageous?

Some of the techniques we’ve talked about previously are especially beneficial when there are low interest rates, specifically the charitable lead annuity trust. When interest rates are low, it is easier to structure the trust to ensure that the giving technique provides the intended benefits both to charity and the donor’s family in a tax-efficient way.

Another technique that is very useful is the ability to give a remainder interest in your personal residence to charity and to retain a life estate. For example, if I were to give Harvard a remainder interest in my house—and retain the right to live there for as long as I like—the tax deduction for my gift to Harvard of the remainder in the house is larger in a low interest rate environment.

RECENT UNIVERSITY PLANNED GIVING VIRTUAL EVENTS

We will be hosting virtual programs each month from January through May 2021. For a schedule and detailed information about these programs please visit alumni.harvard.edu/UPGEvents or email pgo@harvard.edu.

A View to the Future Celebratory Program

VIRTUAL ZOOM WEBINAR

October 27, 2020

Our annual University Planned Giving meeting took place virtually this year. The gathering connected alumni and friends who have generously provided for Harvard through their long-term charitable plans. Attendees heard from George Q. Daley AB '82, MD '86, dean of Harvard Medical School (HMS) and Caroline Shields Walker Professor of Medicine, about the tremendous work being done at HMS addressing COVID-19. Harvard Management Company CEO N.P. "Narv" Narvekar provided an update on the University's endowment.

Family, Finance, and Philanthropy

VIRTUAL ZOOM WEBINARS

December 9 and 15, 2020

This year, in place of our in-person events, we are hosting a series of virtual programs. Harvard alumni and friends hear from Anne D. McClintock, executive director of Harvard University Planned Giving (UPG), and Alasdair H. Halliday AB '82, director of Harvard UPG, on charitable giving techniques, strategic financial planning, and meaningful family conversations.



PHOTOS: ZOOM CAPTURES

ABOVE: HMS Dean George Daley AB '82, MD '86 gives a presentation on the Massachusetts Consortium on Pathogen Readiness at the annual UPG meeting this past October.



ABOVE: Students scoot up JFK Street towards the Square.

BELOW: HMS Department of Biological Chemistry and Molecular Pharmacology research assistant Liz MacDonald prepares samples for a viral replication test as part of a coronavirus drug study.



PHOTO: COURTESY OF HMS



ABOVE: Patricia Liu EdM '21 speaks during the "In the Archives" session of LitLab, a new community-building project in the English department led by Professors Leah Whittington AB '02 and Beth Blum and a student advisory board that meets weekly to discuss current events in literature and the arts.

BELOW: Harvard student radio station WHRB paid tribute to canceled concerts with live studio performances, including the mandolin stylings of WHRB President Allison Pao AB '21.



PHOTO: COURTESY OF PATRICIA LIU



ABOVE: Ahab Chopra AB '21 and Nadine Bahour AB '22 practice social distancing for the "Keeping Harvard Healthy" campaign.



Fall foliage over Radcliffe Yard
Rose Lincoln/Harvard Staff Photographer

Harvard Annuity Rates

CONTACT UNIVERSITY PLANNED GIVING
800-446-1277 OR PGO@HARVARD.EDU

alumni.harvard.edu/give/planned-giving

DONOR MAKES A GIFT TODAY AT CURRENT AGE(S) AND ANNUITY BEGINS IMMEDIATELY AT THIS RATE*...	... OR WAITS 5 YEARS BEFORE ANNUITY BEGINS AT THIS RATE*
60	4.5%	5.9%
60/60	3.6%	4.5%
65	5.4%	7.3%
65/65	4.2%	5.5%
70	6.0%	8.1%
70/70	5.1%	7.1%
75	6.7%	9.3%
75/75	5.9%	7.9%
80	7.7%	10.5%
80/80	6.5%	9.1%

*RATES AS OF DECEMBER 2020

Have questions? We are here to help.

How to reach Harvard's planned giving professionals

University Planned Giving	617-495-4647	Anne McClintock
Harvard University pgo@harvard.edu alumni.harvard.edu/give/planned-giving	800-446-1277	
Business School	617-495-6883	Ellen Harkavy
Faculty of Arts and Sciences	617-496-4149	Sarah Carothers
Law School	617-496-9265	Charles Gordy
Medical School	617-384-8507	Kathleen Murphy

Let us help you plan a gift to one or more of these Schools and affiliates

Harvard University President's Fund	Kennedy School
Harvard College	Law School
Graduate School of Arts and Sciences	Medical School
Business School	Harvard T.H. Chan School of Public Health
School of Dental Medicine	Radcliffe Institute for Advanced Study
Graduate School of Design	Harvard Art Museums
Divinity School	Harvard Museums of Science & Culture
Graduate School of Education	Memorial Church
Harvard John A. Paulson School of Engineering and Applied Sciences	American Repertory Theater
Extension School	Arnold Arboretum



ABOVE: Aspen Buck AB '23 studies in the Cabot Science Library.

EXTEND YOUR IMPACT THROUGH A BEQUEST

You, too, can make a lasting impact by simply including the following language in your estate plan:

"I give (_____ dollars or _____ percent or all of the residue of my estate) to the President and Fellows of Harvard College, a Massachusetts educational, charitable corporation (for its general purposes or for the benefit of a School or Unit)."

To tailor your bequest, please contact University Planned Giving at 800-446-1277 or pgo@harvard.edu.

HARVARD'S TAX ID NUMBER: 04-2103580

Have questions? We are here to help.
800-446-1277 or **pgo@harvard.edu**
alumni.harvard.edu/give/planned-giving



STAFF FEATURE

Keira Walsh joined the Planned Giving team in February 2020. She is a graduate of Keene State College and holds a bachelor's degree in health science with a concentration in nutrition. Before joining University Planned Giving, she worked in the Alumni Relations Office at Harvard Law School. Keira's interests include running half-marathons, exploring New England, cooking, and spending time with friends and family.



Gift Strategies

HARVARD UNIVERSITY PLANNED GIVING NEWS

DID YOU KNOW?

As 2020 comes to a close, so do the time-limited tax provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Now through December 31, 2020, cash gifts made to Harvard can have a greater impact for both you and the University:

- **Those who take the standard deduction may now deduct up to \$300** in qualified charitable contributions of cash to Harvard and other qualified charities. Normally, no deduction is permitted. Gifts to donor-advised funds, supporting organizations, and most private foundations are not eligible.
- **Itemizers may deduct cash gifts up to 100 percent of their adjusted gross income in 2020**—up from 60 percent. Gifts to donor-advised funds, supporting organizations, and most private foundations are not eligible.
- Required minimum distributions from retirement accounts are suspended for 2020. However, individuals still can make a qualified charitable distribution of up to \$100,000 from their IRAs. The direct distribution to charity would not be included in taxable income.

Contact University Planned Giving

800-446-1277 or
pgo@harvard.edu

[alumni.harvard.edu/give/
planned-giving](https://alumni.harvard.edu/give/planned-giving)

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STEPHANIE MITCHELL/HARVARD STAFF

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