

# USE BENEFICIARY DESIGNATIONS TO MAKE A SIMPLE GIFT FROM YOUR ESTATE

For many of us, the best way to make our largest gift to Clark – and to leave a lasting legacy at a place that impacted our lives so deeply – is to include a gift in our estate plans. There are a variety of ways to set up your legacy gift, many of which are amendable and revocable so that they can be adjusted to reflect your philanthropic goals and family and financial realities over time. Making Clark a beneficiary of one or more of your financial accounts is one of the quickest and easiest ways to set up an estate plan gift – and it’s a gift you can create at any age!

## WHAT IS BENEFICIARY DESIGNATION?

Did you know that your will or living trust may not control the transfer of the majority of your property to your heirs? Many financial assets, including checking, savings, investment, and retirement accounts, are transferred via beneficiary designation – instructions that, in many states, will override your will or living trust. The institutions that manage your financial accounts have in-house forms that allow you to designate one or more beneficiaries who will receive your assets after you pass away. State laws govern these accounts, so you should consult with your bank representative or investment advisor for guidance. Not designating beneficiaries for these accounts can make probating your estate slower and more expensive, including potentially subjecting your assets to higher taxes.

Accounts governed by beneficiary designations transfer outside of probate and generally shouldn’t be included in your will or living trust. Review your beneficiary designations with your estate planning attorney whenever you update your will or living trust.

## HOW DO I SET UP A GIFT TO CLARK?

You can name Clark as a beneficiary of a portion or the full balance of any of the following accounts:

- Traditional\* or Roth IRAs
- Qualified retirement accounts such as 401(k)s or 403(b)s\*
- Checking, savings and money market accounts
- CDs
- Investment accounts
- Commercial annuity contracts\*

To name Clark as a beneficiary, specify “Clark University, Worcester, MA” on the designation form, indicating the percentage of the account you want to give to Clark. If you can include it, Clark’s Federal Tax ID Number is 04-2111203.

If you manage your account online, you can usually complete a beneficiary designation form directly on the website. Otherwise call your account administrator and request a form – it may also be called a transfer-on-death (TOD) or payable-on-death (POD) form.

Beneficiary designation forms default to dividing your account among heirs by percentages (because the precise value of the account upon your death can not be known in advance). If you want to leave a specific dollar amount to Clark, contact us and we can help you with options to achieve this.

### FIAT LUX LEGACY SOCIETY

*Clark’s Fiat Lux Legacy Society honors alumni, parents and friends who have demonstrated their commitment to Clark’s future by establishing planned gifts or including the University as a charitable beneficiary of their estate plans.*

**Join us by creating your legacy gift for Clark today**



## WHAT OTHER ASSETS CAN I TRANSFER WITH A BENEFICIARY DESIGNATION?

**DONOR-ADVISED FUNDS:** You may be able to name Clark as a beneficiary for any balance left in your Donor-Advised Fund after your death. Talk with your DAF administrator to set up a plan; you may also be able to find the necessary forms online.

**LIFE INSURANCE:** You can designate Clark as the beneficiary of part or all of the proceeds on your life insurance policy. Remember to name a beneficiary if your employer provides life insurance.

**OTHER EMPLOYMENT-RELATED BENEFITS:** You may have retirement or death benefits provided by your employer, union or other professional organization that are governed by beneficiary designation. Be sure you've specified who you would like to receive the proceeds of these accounts or plans.

### ***\*Did You Know? All Assets Aren't Equal When It Comes to Taxes***

*Individual heirs are required to pay income tax on inherited tax-deferred retirement accounts (e.g. 401(k)s, 403(b)s, traditional IRAs) and commercial annuities. Other assets in your estate pass to individuals without an income tax obligation. These federal (and sometimes state) income taxes are in addition to federal and state estate and/or inheritance taxes – together all these taxes can reduce the value of these accounts by as much as 70%. Instead, if you use these assets to make a charitable gift, the full value of your account passes to Clark tax-free. You can leave other assets - which are not subject to income tax - to your individual heirs to maximize your gift to them. (Note that if your heirs are minors or have special needs, you may not be able or want to pass assets to them via beneficiary designation – talk with your attorney about setting up a trust to manage these accounts.)*

## MAKING SURE YOUR GIFT SUPPORTS YOUR PASSION AT CLARK

One drawback to beneficiary designation forms is they give you only a small box to specify your wishes. If you would like your gift to provide unrestricted support to Clark, you don't need to take additional steps beyond completing the form. But if you would like your gift to support a particular purpose at the University, or to be divided among multiple purposes, please get in touch with us. We'll set up a letter of agreement between you and Clark which will govern how we use your gift when we receive it. If you're also interested in having your gift create an endowed fund or other permanent legacy here at Clark, we can put that paperwork together at the same time to ensure your gift will ultimately create the impact and leave the legacy you envision.

## WE'RE HERE TO HELP

Figuring out the best way to make your legacy gift and what to support can be complicated; Clark's Office of Planned Giving is here to help. For a confidential conversation to explore your options, please call (508) 793-7593 or email [plannedgiving@clarku.edu](mailto:plannedgiving@clarku.edu).

***Have you already created your legacy gift to Clark by setting up a beneficiary designation or including the University in your estate plans in another way?***

***Please let us know so we can welcome you to the Fiat Lux Legacy Society! Your can share your plans with us by completing and returning this [form](#).***