Ways You Can Help Hadley

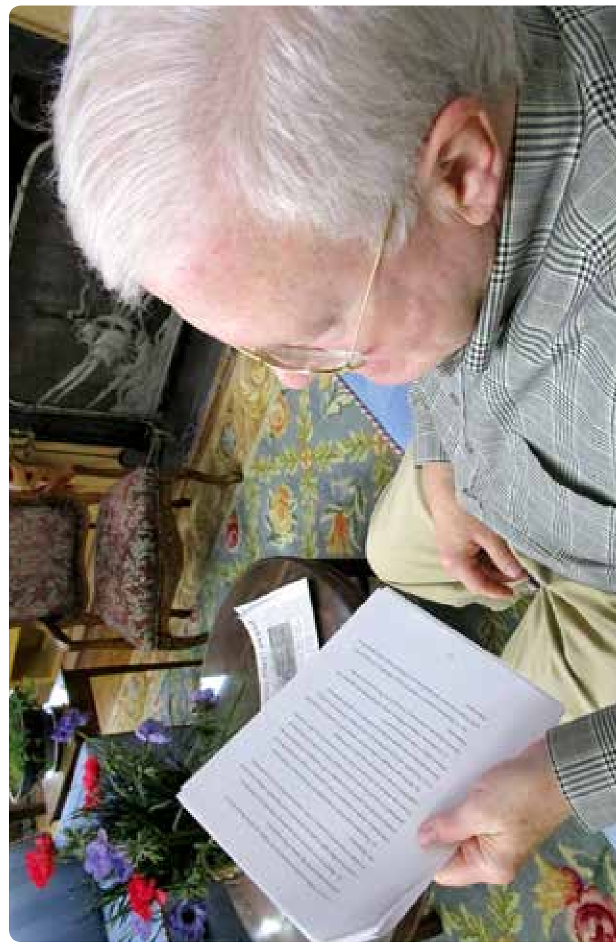
1. **CONSIDER A CHARITABLE GIFT ANNUITY (CGA)**
   - A gift annuity is simply a contract between you and Hadley whereby you give a specified amount of money (minimum of $10,000 cash or appreciated stock).
   - A CGA provides an income for loved ones who depend on you.
   - You receive a charitable tax deduction and Hadley agrees to make annual payments to one or more beneficiaries (annuitants).
2. **DESIGNATE HADLEY INSTITUTE AS A BENEFICIARY**
   - You can use an IRA, life insurance policy, annuity or any other instrument that allows you to designate a beneficiary.
   - Simply request and fill out a "change of beneficiary" form from the appropriate provider.
   - Hadley could be a full, partial or contingent beneficiary with the designated amount being tax-free.
3. **INCLUDE HADLEY IN YOUR WILL OR TRUST**
   - Suggested wording to share with your attorney: I give ____% or $____ to Hadley Institute for the Blind and Visually Impaired, an Illinois non-profit corporation located at 700 Elm Street, Winnetka, IL 60093, EIN #36-2183809.
   - If you have previously included Hadley in your will or trust using our former name "The Hadley School for the Blind," you do not need to change your documents regarding this issue. It still will be honored.
4. **DISCUSS OPTIONS WITH YOUR FINANCIAL ADVISOR OR ATTORNEY**

Please let us know if you plan to leave a legacy at Hadley so we can thank you and welcome you to the Clarence Boyd Jones Society.

To receive a personalized Summary of Benefits for a CGA or for more information on estate planning, please contact Shari Burton, Senior Philanthropy Officer and Director of Gift Planning at 847.784.2765 or Shari@hadley.edu.

HADLEY
INSTITUTE FOR THE BLIND AND VISUALLY IMPAIRED

FORMERLY THE HADLEY SCHOOL FOR THE BLIND
700 ELM STREET, WINNETKA, IL 60093
800.323.4238 • HADLEY.EDU
ADDRESS SERVICE REQUESTED



Make some time this year to review your will or trust with your financial advisor.

foresight

HADLEY INSTITUTE FOR THE BLIND AND VISUALLY IMPAIRED
WINTER 2017

PROVIDING FOR THE FUTURE THROUGH PHILANTHROPIC PLANNING

Same Goals, Different Roads

Geraldine Lawhorn

When Geraldine Lawhorn received her college diploma at age 67, she neither heard her name called nor saw the diploma. Jerrie, as she was fondly known, was the sixth deaf-blind person ever to receive a college degree. Helen Keller was the first, followed by Dr. Richard Kinney, a past president of Hadley.

Jerrie was the daughter of a vaudeville showman and had a lifelong love of the theatre. After she lost her sight at age 10 and her hearing at age 19, she continued to follow her dream to become a performer, studying music and drama at the American Conservatory of Music in Chicago and the New York College of Music. She went on to perform in one-woman shows around the country including Carnegie Hall. A New York Times article in 1983 called Jerrie, "a gentle, witty woman with a pleasant and distinguished speaking voice that she attributed to much coaching and practicing after she went deaf."

Jerrie once commented, "Because they cannot see or hear, the deaf-blind are the most isolated of the handicapped. They are limited to only direct contact and that makes them isolated from most groups. We have a lot of work to do to broaden the world of the deaf-blind."

In High School, Jerrie started taking Hadley courses to supplement her regular education. In 1967 she became a Hadley instructor, teaching the courses *Independent Living for Those Without Sight or Hearing* and *Verse Writing and Poetry*. Jerrie retired from Hadley after 40 years at the age of 95! She was loved by her students and fellow faculty. Pam Bilton, one of Jerrie's students, said, "she was an extremely thorough teacher who was always patient and never grew tired of answering any questions that her students had. Instead of

See *Different Roads* inside...

Uncertainty in the Estate Tax and the Role of a Great Estate Plan

The estate tax just celebrated its 100 year anniversary in 2016, but 2017 could signal the end of the estate tax as we know it. With Republicans controlling the White House and Congress, this seems more likely now than ever. Tax proposals from both the House of Representatives and President-elect Trump have called for the repeal of the estate tax, which could mean there will also be changes to the generation skipping transfer (GST) tax and gift tax rules as well as a new capital gains tax system that could be created as a replacement for the estate tax.

Given the possibility of tax policy changes over the next few years, you may consider estate planning that prevents or minimizes the federal estate, gift and GST taxes. There is no certainty as to the timing or details of the tax policy changes and, therefore, incorporating the ability to address any issues that may arise as a result of changes in tax policy is very important. Equally important are the values of the non-tax benefits from estate planning—such as asset protection, probate avoidance, business succession, charitable planning and asset management advantages.

> “Maintaining flexibility in estate plans and continuing to rely on trusted advisors will be integral to navigating uncertainties and accommodating any potential changes that lie ahead over the next several years."

At this stage, it is too early to tell precisely what comprehensive estate tax reform out of the Trump administration and Congress might include. Regardless of the end result of this proposed tax reform, it will not eliminate the need for wealth planning. The focus and structure of estate planning may shift, depending on the various scenarios that may unfold, but wealth planning extends beyond the estate tax. Maintaining flexibility in estate plans and continuing to rely on trusted advisors will be integral to navigating uncertainties and accommodating any potential changes that lie ahead over the next several years.

STRATEGIES TO CONSIDER

Many strategies implemented to remove future appreciation from an estate will most likely continue to be effective, even if the estate tax is replaced. Specifically, it is still important to pursue certain transactions that do not pose a significant risk of gift tax. For example, creating a Grantor Retained Annuity Trust (GRAT) that freezes the value of the assets contributed to the GRAT and moves the appreciation outside of your estate may still be a strategy that you may consider. Along the same lines, you should continue making your charitable gifts and other gifts up to the gift tax exemption. If the estate tax is repealed (even temporarily) but the gift tax remains, these strategies will have succeeded in transferring appreciation out of your estate without paying gift tax.

If the new law includes a capital gains tax at death, estate planning techniques that freeze the value of the estate (such as a GRAT) may also defer any capital gains taxes at death. It is best to review your estate plan with your tax advisor to determine what, if any, strategies are appropriate to undertake at this time. This should be done sooner rather than later, as there is uncertainty whether the new gift tax exemption (if any) will remain at the current $5.49 million or decrease.

You may also consider creating irrevocable trusts for your family or a charity to receive gifts rather than making gifts outright. Generally, most irrevocable trusts provide protection from creditors, divorce claims and even some forms of elder abuse. An irrevocable trust may preserve the donor's intention to eventually benefit a charity sometime in the future. All of these benefits are important irrespective of the potential changes in the estate tax system.

In drafting a trust, flexibility is the most important goal, given the uncertainty in the law. Some trusts remain revocable or changeable during your lifetime, but not all. Moreover, if the donor becomes incapacitated, the ability to make changes goes away. To maintain the ability to change certain trust provisions, the donor may name a trust protector who can make limited changes to the trust in the event that changes are beneficial from a tax perspective. A trust protector can have the right to add charitable beneficiaries to the trust to meet the charitable purposes of the trust or the trust beneficiaries' charitable goals.

LEAVING A CHARITABLE LEGACY

Wealth planning involving non-tax issues predates talk of abolishing the estate tax. Governance around how a family's assets are managed and not squandered cannot be forgotten. Empowering the next generation to have the skill set to successfully manage assets should be an ongoing focus for every family and incorporated as part of any estate plan. Equally important is the family's charitable legacy. Proactive planning that includes charitable organizations that are important to them and their family can foster this legacy.

While increased flexibility in estate planning is important to manage tax changes as they arise, it is also important to ensure that the trust creator's intent does not get lost. Less focus on the tax aspects of planning allows everyone to step back and articulate the primary goal of wealth transfer. It is possible that we may be no longer confined to tax language that requires distribution standards guided by the internal revenue code. Articulating and documenting the values that the family wishes to transfer, rather than just focusing on tax avoidance, leads to the development of a client's legacy and should allow a family to be well prepared to address any current and future changes occurring in the world of estate planning.

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Different Roads... continued

having 'pity parties' that she was deaf-blind, she kept very busy helping others."

Jerrie often said, "we all have the same goals, but we have to go on different roads." She went on to write a book entitled "Different Roads" with the proceeds benefitting Hadley. After Jerrie's passing in March 2016, we were informed by her attorney that she left her estate to Hadley. Her longtime friend and translator, Charita Graham said, "It didn't surprise me that Hadley held a very special place in her heart; it made it possible for her to live her passion and gave her life meaning. Jerrie always had a giving spirit and wanted to give back and help others."

We are grateful for Jerrie's gift, but even more for her life which she shared with so many of us.

PHILANTHROPY ADVISORY COUNCIL

The Philanthropy Advisory Council of Hadley Institute promotes the growth and strength of Hadley's planned philanthropy program. They lend their time and expertise working with staff and donors through their advisors.