



FALL 2011



A Financial and Charitable Planning Guide from Montclair State University

## The Language of Generosity

**M**ontclair State transformed my life and gave me the tools I needed for a successful future,” Conrad J. Schmitt ’58 says proudly. “I loved the small classes with individual attention from the faculty,” he shares. “I feel particularly indebted to and have lasting fond memories of professors Teresa de Escoriza and Germaine Cressey.”

Mr. Schmitt graduated magna cum laude from Montclair State Teachers College with a B.A. in Spanish, French and English. Since then, he has authored or co-authored some 250 textbooks in Spanish and French thanks to the strong background he received in languages at Montclair State. He is a former foreign language educator who still keeps in close touch with many of his college classmates.

After a happy career in teaching, Mr. Schmitt went into publishing. He served as editor-in-chief of foreign languages, English as a Second Language and bilingual education for the McGraw-Hill Book Company. His responsibilities included research, editing, production, marketing and sales for both

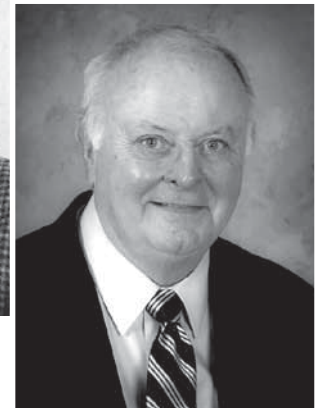
the domestic and international markets. “Because of the varied background Montclair State offered me, I was well equipped for the challenge,” he adds.

Thinking about his legacy, Mr. Schmitt says, “I wanted to bequeath a part of my estate to an organization that had a very meaningful and personal impact on my life. It took only a little reflection to come up with the answer—Montclair State. It certainly provided me with a broad range of educational experiences that enriched my life and enabled me to pursue a most successful career.” His generous bequest will support scholarships and programmatic activities in the Departments of Modern Languages and Literatures (which includes French), Linguistics, and Spanish and Italian in the College of Humanities and Social Sciences.

“Montclair State has changed a great deal since my days there,” Mr. Schmitt concludes. “Each time I return to the campus, I am impressed by the beauty of the new buildings and the



**Conrad J. Schmitt in the 1958 Montclair State yearbook**



**Conrad J. Schmitt today**

camaraderie of the student body. I am also delighted by the language requirement.” Spoken like a true language teacher!

Have you thought about your own legacy at Montclair State? Visit our interactive website at [montclair.edu/plannedgiving](http://montclair.edu/plannedgiving) or contact Judy Echeveria Linder ’83 at 973-655-5454 or [judy.linder@montclair.edu](mailto:judy.linder@montclair.edu) for more information.

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# Your Will . . . the First Step in the Planning Process

**A**s in the case of other important projects, beginning the estate planning process with the correct tools in mind can make all the difference in the outcome. Experts frequently recommend beginning with a will, the planning vehicle that typically forms the basis of even the most complex estate plans.

## *Exercise your rights*

In a society where private ownership of property is allowed and encouraged, the right to decide who should eventually receive your property is a vitally important responsibility. The last will and testament has been carefully designed over centuries to be a primary vehicle for use in

directing future disposition of your property.

## *A flexible instrument*

Wills are extremely flexible. Through your will you can provide others with particular sums of money, certain properties or percentages of your estate. You can mix methods as well. For example, you may choose to leave exact amounts to certain heirs while directing that others split the remainder of your assets in percentages you determine.

## *Coordinate with other plans*

Remember that your will by itself may not determine who will receive many of

your assets. One of the biggest mistakes made is to ignore the impact of other ways to distribute property to heirs.

To illustrate, if you own real estate jointly with another person, your will may have little or no effect on who will ultimately own the property. The same is true for proceeds from life insurance policies and retirement plans. A beneficiary designation completed years ago could determine who receives the benefits, *not* the terms of your current will.

For this reason and others, you should only undertake revision of your will with competent advice in connection with a thorough review of all of your assets and the forms in which they are held.

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## *Tax Pointers*

- Because of recent tax law changes, gift, estate and financial plans should be reviewed with your professional advisor.
- Retirement accounts may be taxed more than other assets.
- Unlimited amounts may be left to a spouse on a tax free basis.
- There is no limit to the amount deductible from federal estate tax for charitable gifts.
- It is possible to provide for loved ones, make charitable gifts and reduce or eliminate estate taxes.

## *Act Now—Special Giving Opportunity Ends Soon*

If you are over 70½ and have a traditional or Roth IRA, you may wish to consider a special provision that allows completely tax-free charitable distributions of IRA funds directly to Montclair State University or other qualified charitable recipients through Dec. 31, 2011. Such gifts will count toward mandatory withdrawal amounts. Gifts can be made in this way in amounts up to \$100,000 per donor. The provision expires at the end of the year. Check with us or your plan administrator for more details.

# Reducing the Cost of Probate

**H**ere are a few ways to help accelerate the distribution of property while minimizing expenses associated with the probate process:

- **Have a valid, up-to-date will.** Make sure your executor (personal representative) is still capable and willing to serve.
- **Consider a living trust.** Many people have found living trusts to be a welcome addition to their plans. Your attorney, trust officer or other qualified professional advisor can provide more information about the usefulness of such trusts for you.
- **Carefully review the beneficiaries of your life insurance policies and retirement plans.** Make certain the persons named to receive funds still reflect your wishes. Talk to your life insurance professional, your employer's employee benefits manager or others who may manage your retirement plans.
- **Review joint ownership.** Joint ownership of real estate, bank accounts brokerage accounts, and certain other types of property can be a good way to minimize the delays and fees associated with probate. But beware of overuse of joint ownership, especially if you believe your estate may be subject to tax.

## *Planning for Incapacity*

A **power of attorney** can name the person or persons you wish to handle your financial affairs should you be unable to do so, or if you simply prefer that others manage your assets.

A **living will** can record your wishes about extraordinary medical care and life-support measures.

# Changing With the Times

**W**hether you realize it or not, your estate plans may have changed.

Changes in your family, your charitable priorities, state or federal estate tax law or the performance of the economy can make it necessary to revise even the most well-considered plans.

## *Update regularly*

Routine reviews of your estate plans with your attorney and other advisors are the best way to make sure your arrangements keep up with

the times. For example, a will written 10 or 15 years ago may include provisions suited to a smaller estate.

Additionally, the value of a home, stocks, bonds and other assets may have increased if you have owned them for a long period of time. This could call for important changes in your will and other estate plans.

Assets can drop in value as well. This can be another reason to make certain that your wishes are still reflected in light of current conditions.



Regular reviews with your attorney and/or other advisors will assure that your plans are up to date.

# Leaving Your Legacy

Charitable gifts included as part of your long-range estate and financial planning can offer a wonderful way to provide lasting support to Montclair State University. It can be possible to make a special gift while minimizing taxes and settlement costs and conserving more of your estate for loved ones. Some points to remember:

- Memorial gifts are often received through an estate. A memorial can serve as an enduring and loving tribute to one or more individuals while contributing to the benefit of future generations.
- Estate gifts can be funded with cash, securities, real estate or other property.

- A gift of all or a portion of the residue of your estate refers to property remaining after all distributions to family and others have been satisfied.
- Gifts may be stated in terms of a percentage of an estate, thereby allowing gifts to increase or decrease depending on the value of the assets remaining.
- Increasingly popular gift planning tools enable you to

make a meaningful gift while enjoying increased income (for life or another period of time you determine), tax savings and other benefits.

We will be pleased to provide more information to you and your advisors concerning ways you can provide a lasting legacy while preserving financial security for you and your loved ones. Please visit us at [montclair.edu/plannedgiving](http://montclair.edu/plannedgiving).

## Sample Bequest Language

“I give, devise and bequeath \_\_\_\_\_% of all of the rest, residue, and remainder of my estate [or \$\_\_\_\_\_ if a specific amount] as a charitable contribution to Montclair State University Foundation located at 1 Normal Avenue, Montclair, New Jersey 07043.”

## Planned Giving at Montclair State University

We cannot say thank you enough to our Carpe Diem Society members who help us in delivering a quality education to deserving students, both today and tomorrow. Montclair State gratefully acknowledges our alumni and friends who have included the University in their estate plans through bequests, trusts, or other forms of planned giving. To view our Carpe Diem Society Honor Roll, please visit [www.montclair.edu/development/honorroll](http://www.montclair.edu/development/honorroll). For a printed copy, please contact the Planned Giving Office.

Our development staff can help you with gift plans for any part of the University, including the following:

- College of Humanities and Social Sciences
- College of Science and Mathematics
- College of the Arts
- College of Education and Human Services
- School of Business
- Graduate School
- Harry A. Sprague Library
- Athletics
- Scholarships



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