A Note from the Director

In June, Richard C. Levin ’74 Ph.D. will conclude his twentieth and final year as president of Yale University.

During his tenure, President Levin led the University to the achievement of a number of significant institutional goals. Among them were top-to-bottom renovations of all twelve residential colleges, enhanced relations with the City of New Haven, ambitious new programs in science and engineering, and increased financial aid for students. He spearheaded initiatives to improve facilities for Yale’s art schools and museums, expand the faculty, re-imagine the undergraduate curriculum, acquire the West Campus, and construct a new home for the School of Management. And, under his leadership Yale completed the transition from a nationally recognized university to one of the world’s leading institutions of higher education.

Alumni, family, and friends were key partners in many of these endeavors. In 2004, President Levin inaugurated Yale Legacy Partners to formally recognize and thank donors who have helped to secure Yale’s future by making a bequest or planned gift to the University. Today, through their generosity and foresight, more than 2,500 members have created their own legacies at Yale.

In this issue of Partners Through Giving, we share the stories of several Yale Legacy Partners whose gifts will provide meaningful resources for the University as it moves toward a new chapter in its history. We also include a summary of key aspects of the recent tax law pertaining to charitable giving.

If you would like to learn more about ways to leave your own legacy at Yale, please do not hesitate to contact us. If you have already remembered the University in your plans, please allow us the opportunity to honor you as a Yale Legacy Partner.

With warm regards,

Eileen B. Donahue
Senior Philanthropic Advisor
University Director of Planned Giving

Why I Use the Charitable IRA Rollover to Make Gifts to Yale

WILLIAM HEYDORN ’59 M.D.

“At this point in my life, I am not dependent upon the funds in my individual retirement accounts for my income. Yale School of Medicine gave me a scholarship, which, at the time, was quite substantial, and so I continue to be grateful. My Yale training led the way to an extraordinary medical career in the military, first as a general practitioner, then as a surgeon, and ultimately as a cardiothoracic surgeon. I continue to travel throughout the world to survey hospitals for the Joint Commission on Hospital Accreditation.

The tax-free nature of the charitable IRA rollover has actually helped me increase the size of my annual gifts to the Medical School, my undergraduate alma mater, and my church.”

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A Father’s Creation Inspires a Daughter’s Gift

What would you do if the director of the Peabody Museum of Natural History asked you to build a steel structure strong enough to support six tons of dinosaur fossils in a realistic formation? What if you were asked in 1928, when something like it had never been done before? That was exactly the proposition made to Yale’s mechanical engineering department. Frederic William Keator, Jr., then a graduate student in his early twenties, volunteered. “I’ll try it,” he quickly replied. The result was the Peabody’s largest mounted skeleton, the *Apatosaurus*.

The steel structure and the dinosaur fossils excavated by archeologist O.C. Marsh remain on display in the Great Hall of Dinosaurs today, as they did in 1928, a testimony to Keator’s engineering skill and talent.

When Keator’s daughter, Vicky DePalma, learned of plans to renovate the Great Hall where her father’s construction still stands, she jumped at the chance to participate—just as her father did many years earlier—and established a charitable gift annuity to help fund the project. Vicky’s generosity not only benefits Yale, but also gives her the financial security that comes with fixed quarterly payments for her lifetime, backed by all of the University’s assets.

The renovation will restore the dinosaur fossils, the museum’s centerpiece, and align them more accurately—employing new knowledge about how the dinosaur actually moved. Rudolph Zallinger’s famous mural, *The Age of Reptiles*, will also be more dramatic. Thanks to a ramp repositioning, visitors will be able to look directly into the eyes of the dinosaurs. It is an ambitious project and Vicky is delighted to be a part of it and to support an institution she loves.

Vicky has deep connections to Yale. Her grandfather, Frederic William Keator, earned his bachelor’s degree in 1880 and his Yale Law degree in 1882. After her father came to New Haven for his graduate work, he subsequently taught at the University for almost forty years. A self described “life-long learner,” Vicky took summer courses at Yale in addition to her fine arts courses at Albertus Magnus College. Later, at Wesleyan University, she earned a master’s degree in Art and Art History.

Today, Vicky is a volunteer and docent at the Peabody. She also participates in many of the cultural and educational opportunities that Yale has to offer. In addition to the Peabody, she has included a bequest for Yale music in her estate plans, thanks, in part, for the enjoyment she obtains from the piano and chamber music concerts at Sprague Hall, and from the concert series at the Collection of Musical Instruments.

Yale plays a significant role in Vicky DePalma’s life today, just as it did in her past. She is excited to ensure that it becomes a part of her future, as well. Her charitable gift annuity allows Vicky to contribute to the Peabody Great Hall renovation—a decision she feels her father would applaud.

If predictable fixed payments for you and your family, tax savings, and the satisfaction of helping to support Yale are among your goals, please contact the Office of Planned Giving at development.plannedgiving@yale.edu or 1.800.445.6086. We would be pleased to answer your questions and prepare an illustration of the benefits of a charitable gift annuity tailored to your specific circumstances.
A Mission to Enhance Yale’s Global Impact

Michael Skol ’63 is a man on a mission. Of course, he has been on many missions in his distinguished career of more than thirty years in the U.S. Foreign Service in Latin America and the Caribbean, as well as in Southeast Asia and Europe. He reflects, “I feel very fortunate to have been admitted to Yale in the first place, and have continually worked to preserve that relationship while overseas, through reunions, friendships, and, now, by becoming part of Yale’s future. Through our estate, my wife and I will establish the Michael Skol ’63 and Claudia Serwer Endowed Fund for International Relations. My mission is for my legacy to contribute to Yale’s international reach in the world.”

From his role as U.S. Ambassador to Venezuela to his most recent two decades in the private sector as a proponent of ethical international business practices, Mike has been committed to a vision of Yale as a fully global institution: “I majored in religion at Yale which, as it turned out, gave me an ideal basis for understanding the world. I strongly support President Levin’s efforts to globalize the University. Yale’s transition from a great national university to an outstanding global one is extremely important to me. I believe Yale’s presence abroad, and its commitment to liberal education in the western tradition, can make a genuine difference in today’s ideologically-burdened world.”

In addition to his tenure in Latin America, Mike had Foreign Service posts in Buenos Aires, Saigon, Santo Domingo, Naples, Rome, San Jose, and Bogotá. Throughout this time, he tried to maintain a Yale connection wherever possible. For example, Mike re-founded the Yale Club of Colombia in 1985. He says, “My wife, Claudia, who was also in the Foreign Service, and I have amassed a wealth of comparisons between diverse educational institutions and Yale. Yale wins every time. The more I have learned about education in the United States and around the globe, the more I value Yale and the more I want to see Yale expand to touch more people and nations.”

Mike and Claudia’s commitment will help strengthen Yale’s impact in the world. As Yale Legacy Partners, they are hopeful that their Yale legacy will prove to be as significant to international relations as their careers have been.

New Tax Law Renews Giving Incentives

The American Taxpayer Relief Act of 2012 reinstated the Charitable IRA Rollover retroactively for 2012 and extends it through December 31, 2013. The Act allows individuals age 70½ and older to make direct transfers of up to $100,000 per year from individual retirement accounts to qualified charities—without having to count the transfers as income for federal tax purposes. Since no tax is incurred on the withdrawal, gifts do not qualify for a charitable deduction, but may be counted toward an individual’s minimum required distribution.

**Charitable IRA Rollover Refresher**

- Distributions must be made directly to a qualified charity by the IRA plan administrator. Retirement assets in 401(k), 403(b), SEP, or SIMPLE plans do not qualify, but may be rolled into a new or existing IRA and transferred to the charity.
- Distributions may only be made to 501(c)(3) tax-exempt organizations and cannot be made to donor advised funds, private foundations, or supporting organizations.
- Distributions may not be used to fund life-income gifts such as charitable gift annuities, charitable remainder trusts, or pooled income funds.
- Distributions may be used to fulfill pledges.

**Income Tax Rates**

- The new law permanently extends the federal income tax rates on incomes of up to $400,000 for individuals and $450,000 for couples. However, the legislation raises the maximum tax rate for individuals with incomes of more than $400,000 and couples with incomes of more than $450,000 from 35% to 39.6%.
- It extends the 15% tax rate on capital gains and dividends for individuals making up to $400,000 and married couples making up to $450,000. However, the capital gains tax rate for individuals making over $400,000 or married couples making more than $450,000 increases from 15% to 20%.

**Estate Tax Elements**

- The law preserves the current $5 million estate tax exemption ($10 million for married couples) adjusted for inflation, so the exemption for 2013 is approximately $5.25 million for individuals and $10.5 million for married couples.
- It raises the top estate tax rate from 35% to 40%.

**Social Security Payroll Tax Provision**

- The new law did not extend the 2% payroll tax cut. The payroll tax reverts to 6.2% for earned income up to $113,700.
Why I Use the Charitable IRA Rollover to Make Gifts to Yale

ALEXANDER D. FORGER ’50 LL.B.

Alexander D. Forger is special counsel to the New York law firm of Milbank, Tweed, Hadley & McCoy. After serving in Europe during World War II and completing his studies at Princeton University, he earned his Yale law degree in 1950. During the Clinton Administration, Alex served as president of the Legal Services Corporation. In 2007, he was the recipient of the New York Bar Association’s Gold Medal for outstanding legal ability, professional leadership, and community service.

Described by colleagues as “a brilliant practitioner, trusted advisor, outstanding professional leader, distinguished public servant, and a zealous defender of the poor and the weak,” Alex is also a devoted Yale Law School volunteer. He is a winner of the School’s Award of Merit and former fund board member and reunion gift chair.

Alex describes his decision to use the charitable IRA rollover to make his gifts this way, “The charitable IRA rollover gives me an extraordinary opportunity to acknowledge the value of a Yale Law School education and to be able to do so in a tax efficient manner.”

Since 2006, Yale has received more than 1,000 charitable IRA rollover gifts. While some have established endowed scholarships, most have been given as unrestricted support for our graduate and professional schools and to the Yale College Alumni Fund. For more information on the charitable IRA rollover, please visit www.giving.yale.edu/planned-giving/ira.