



UNIVERSITY OF WYOMING
FOUNDATION

COWBOY LEGACY

Fall 2018



INSIDE THIS ISSUE

**Year-End Tax-Planning and Gift Strategies
Whether You Itemize or Not**

YEAR-END TAX-PLANNING WHETHER YOU ITEMIZE OR

The most important new development affecting 2018 year-end planning is the legislation, popularly known as the Tax Cuts and Jobs Act, that was enacted late last year. It will cause many people to confront the question of whether to itemize their deductions or to take the standard deduction, a decision that was relatively easy in the past. That's because the standard deduction was almost doubled, to \$12,000 for single taxpayers and \$24,000 for couples filing jointly.

Should they try to lower taxes by reducing their taxable income for the year or **should they find some more deductions** so that they can exceed the standard deduction and itemize? Either way, creative charitable strategies can help with your year-end planning.

Legacy Society THE UW LEGACY SOCIETY

People who give to the University of Wyoming are a select breed. You may recognize them by the brown and gold stickers on their cars or by the look of pride on their faces when you mention Wyoming. They also may be zealous supporters of the Pokes. They are practical and idealistic at the same time. They believe in education and investing in the future.

The University of Wyoming Legacy Society was established in 1991 to recognize just these people and thank the many alumni and friends who have so generously made an estate commitment or a deferred gift to the University of Wyoming.

Contact for more information:

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If you have made the University of Wyoming part of your estate plan, we encourage you to contact us so that we can properly document your intentions and express our sincerest thanks. Please consult your attorney or tax advisor before making any charitable gift planning decision.

AND GIFT STRATEGIES OR NOT

TWO STRATEGIES IF YOU PLAN TO TAKE THE STANDARD DEDUCTION AND WANT TO REDUCE TAXABLE INCOME

1 Make an IRA Charitable Rollover Gift

If you are over the age of 70½ and own an IRA, under the new tax law you are still able to authorize your IRA administrator to make transfers (totaling no more than \$100,000) to one or more charities—without the amount being added to taxable income but counting towards the required minimum distribution.



Gift Spotlight: Steve and Laura, who are both aged 74, have been regularly contributing \$8,000 cash per year to the University of Wyoming and reporting it on their tax return as an itemized deduction. However, this year they calculate that their deductions would total just under the new standard deduction. Steve has an IRA, and the minimum distribution requirement from it this year will be \$28,000. Steve could withdraw the \$28,000 and write a check to us for \$8,000, but instead he directs his IRA administrator to do an \$8,000 rollover directly to the University of Wyoming. That is preferable because Steve and Laura reduce their taxable income by \$34,600 (\$26,600 standard deduction for married couples both over 65 plus \$8,000 nontaxable transfer).

2 Give Stock and Save Capital-Gain Tax

It can be an effective strategy to use long-term appreciated capital-gain assets to fund charitable gifts even if you are not going to itemize. That is because you avoid paying the tax on the capital gain.



Gift Spotlight: Charles and Joan decide to fund their gift to the University of Wyoming with stock instead of cash. The stock is now worth \$10,000, and they paid \$2,000 for it a number of years ago. They believe now is the time to sell, but an 18.8% tax rate (15% capital-gain rate plus 3.8% Affordable Health Care surtax) would apply to the \$8,000 of capital gain—resulting in federal tax of \$1,504. Even if they don't itemize, they still realize tax savings of this amount by using the stock for their gift to us.



TWO STRATEGIES IF YOU PLAN TO ITEMIZE AND WANT MORE DEDUCTIONS

Our complimentary guide, *Gift Strategies for Year-End Tax Planning Whether You Itemize or Not*, explains in detail seven different ways to add deductions so you can itemize. Here are two of them:

1 Give a Distribution from Your Retirement Plan

Possibly, you have more assets in your 401(k), 403(b), IRA, or other retirement plan than you will need for future living expenses, and you would like to make your charitable gift to the University of Wyoming with some of those assets. If you are aged 70½ or older and you have an IRA, you can make a tax-free direct charitable transfer to us from that IRA. (See article on IRA rollover for details.) If your retirement funds are not in an IRA or if they are in an IRA but you are under 70½, you can withdraw cash from your retirement fund and then contribute it to us. The amount distributed will be added to your taxable income, but you will be able to make your gift with retirement funds at no tax cost—provided you itemize deductions and can deduct the entire distribution.

2 Make Next Year's Gift Now and Save Taxes

Without a doubt, the one deductible expense over which you have the most control is your charitable giving. If you want to itemize deductions for 2018, consider doubling up on your planned charitable giving this year.

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney for applicability to your own situation.

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UNIVERSITY OF WYOMING
1000 E UNIVERSITY AVE
LARAMIE WY 82072-9804**



Before you make your IRA withdrawals ...

...discover how both you and the University of Wyoming can benefit from the IRA charitable rollover!

Direct gifts to the University of Wyoming from your IRA can:

1. Be an easy and convenient way to make a gift from one of your major assets.
2. Be excluded from your gross income: a **tax-free rollover**.
3. Count toward your required minimum distribution.

For your gift to qualify:

- You must be 70½ or older at the time of your gift.
- The transfer must go directly from your IRA to the charities of your choice.
- Your total IRA gift(s) cannot exceed \$100,000.
- Your gift must be outright.

SUPPORT THE UNIVERSITY OF WYOMING

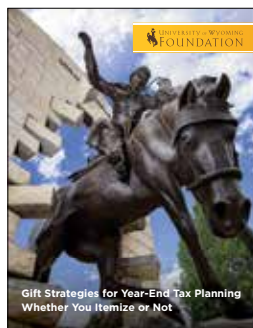
Making a Gift Is as Simple as Adding This Paragraph to Your Will

"I give, devise, and bequeath to the University of Wyoming Foundation (or its successor) located in Laramie, Wyoming, a nonprofit corporation organized and existing under the laws of the state of Wyoming, (\$_____ or xxx property or _____%) for the benefit of (specific college, unit, program, project, or purpose).



RETURN THIS CARD FOR OUR COMPLIMENTARY YEAR-END GUIDE

- Please send me a complimentary copy of your new guide, *Gift Strategies for Year-End Tax Planning Whether You Itemize or Not*.
- I would like information about making a gift to the University of Wyoming that would also provide income for me and/or others.
- I would like information about including a gift to the University of Wyoming in my will or living trust.
- I have already included a gift to the University of Wyoming in my will or living trust and would like to notify your office.



DETACH HERE

NAME

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GEORGENE HAGER LEBAR'S ESTATE BUILDS INDOOR TRACK AND SUPPORTS UW



Georgene Hager LeBar loved children. Unfortunately, she wasn't able to have any of her own; so she focused on helping others, including using her estate to support students at the University of Wyoming—including building the new indoor track.

“At the heart of her was an incredible desire to help people and to give,” says Erin Hager, Georgene’s niece.

Through Georgene’s estate the family has supported the College of Agriculture and Natural Resources, the athletic department, and the Alumni Association. The family has also created a scholarship through the Wyoming Community Foundation and supported the Wyoming Stock Growers Land Trust’s Ranchland Succession Program.

The most concrete contribution was resurfacing UW’s indoor track. A plaque has been placed at the Hager-LeBar Indoor Track that allows students and visitors to read about Georgene’s legacy.

Georgene was born and raised in Torrington, Wyoming. She earned a bachelor’s in education at Chadron State College in Nebraska before returning to Wyoming to start a master’s program at UW. She never finished because of lack of funds, and she then began ranching with her husband George. He passed away in 1989, but Georgene kept the ranch going—more than 75,000 acres in three states.

Her nephew Dylan Hager earned a degree in agricultural business from UW in 2002. His wife Erin earned a degree in business administration from UW in 2003. After they graduated, Georgene asked them to move out to the ranch to live and work.

Georgene died in 2009, and her estate gave Dylan and Erin the opportunity to support the University of Wyoming.

“We love our university,” says Erin. “We’re very excited to give back to it.”

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REQUEST OUR COMPLIMENTARY GUIDE TO LEARN HOW TO USE GIFT STRATEGIES TO SAVE TAXES AT YEAR-END

Gift Strategies for Year-End Tax Planning Whether You Itemize or Not explains strategies such as:

- Make a gift from your retirement plan.
- Give appreciated securities for a double tax benefit.
- Make next year's gift now.
- Advance your legacy gift and receive a deduction.
- Accelerate noncharitable deductions.
- Defer income to next year.
- Wait to sell appreciated assets.



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To request our complimentary guide, simply return the attached reply card or visit www.uwyo.giftplans.org/Year-End