Make No Mistake About Estate Planning

What is the most common misconception about estate planning? It may be that estate planning is a painful and burdensome process. To the contrary, basic tools provide clear planning guidance for the vast majority of estates, and ensure that you can benefit loved ones while rewarding the charitable organizations, like NYU, that you have spent your lifetime supporting.

In this issue, we focus on the most fundamental tool of estate planning—a will. Your understanding of the function of your will is critical as you create or update your estate plans. Planning your will provides a roadmap for how your assets should be distributed; it also serves as a statement of the values that are molding your legacy—a testament to who you are and what you consider important in your life. So in this issue we also explore how personal philanthropy can ensure that your plan reflects your vision and values.

We thank you for your continued support of NYU and hope that you find this issue of Torchlight informative. As always, we are happy to help you explore opportunities for realizing your personal and philanthropic goals, and we invite you to contact us to talk about the role charitable giving might play in your personal estate plans.

JOSEPH CILLO ENG’62— A LEGACY FOR NYU ENGINEERING

Joe Cillo has fashioned his life around inquiry, innovation and inventiveness. He attended Brooklyn Tech, just a few blocks from home, then enrolled in the aeronautics program at NYU’s Engineering College at the former University Heights campus. The first in his family to attend college, NYU’s offer of a full scholarship—and work as a dance instructor—made his education possible. While at NYU Heights, he lived just

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Your Will Is Your Command—and Your Plan’s Foundation

A will is a simple set of instructions for the distribution of property from your estate. What happens if you die without a will, those simple instructions, in place? Your state’s laws will determine how your assets will be distributed, according to a statutory formula. And that state-ordered distribution will rarely, if ever, match up with an individual’s actual preferences for estate distribution. If you want the people and charities that matter most to you to eventually benefit from your estate, a will is absolutely essential.

What is an effective first step for your estate planning? Many people start with simple lists. Take some time to create a list of all your assets—real estate, stock accounts, checking accounts, insurance policies, and so on. Then create a separate list of your loved ones and your favorite charities—including NYU. Organizing your thoughts with lists is a great way to visualize what you own, and how you want to pass it along for the best use in the future. We’ll be delighted to send you an “inventory” checklist to assist you in this process. Just send in the enclosed reply card.

Of course, each will is a unique legal document that must adhere to state and local laws to be valid. Although state laws differ, there are two common requirements: (1) a will must be in writing; (2) a will must be signed by you, the estate owner, in the presence of witnesses. An attorney will ensure that your will meets these standards, and will ensure that your commands are explicitly set forth.

CHANGING YOUR WILL
Because your will is a flexible, dynamic document, you can change it at any time you wish. For example, if you last drafted your will when your children were dependent, you may want to revise your will to alter your distributions when your children become independent adults. You should also review your will periodically to ensure that it reflects the changes that occur over time to:
- your family (e.g., marriage or the arrival of a grandchild)
- your lifestyle (e.g., reaching retirement)
- your assets (e.g., the sale of a business or real estate)
- your location (e.g., a move to another state or part-time residence in another state that may alter estate requirements)
- state or federal law (e.g., changes in federal estate tax rates)

CHARITABLE BEQUESTS BUILD BRIDGES
Many of the University’s supporters would like to make a major gift, but are hesitant to give up property that might be needed in future years. After all, none of us has a crystal ball. That is why a charitable bequest is such a popular and enduring planned gift. Bequests are preferred because they give faculty, alumni and friends the opportunity to enjoy their legacies today while experiencing no immediate out-of-pocket cost. And you become a member of the University’s Society of the Torch, which recognizes and honors those who have expressed their commitment to the future of our students and faculty.
off-campus in the Psi Upsilon fraternity he joined; he still remembers fondly the camaraderie.

After the Soviet Union launched Sputnik in 1957, NYU revolutionized its aeronautical engineering curriculum by transitioning its focus to aeronautics/astronautics. Suddenly Joe, his classmates and professors became part of a crucial national focus on space flight and space exploration. Students in his graduating class of 13 were among the first academically-trained Aeronautics/Astronautics engineers (that is, rocket scientists) in the U.S.

Joe enjoyed the exhilaration of reinventing his studies and himself, and throughout his career demonstrated the flexibility and curiosity that he acquired at NYU Engineering. After graduation, he worked in the space program while simultaneously obtaining an MBA at UCLA, thanks to a Master’s Fellowship from his employer, Hughes Aerospace. The combination of his technical and business training contributed to a long, varied and successful career during which he created, launched and managed a number of first-ever high-tech products and businesses. He served as a change agent for leading-edge companies including TRW, IBM, Bank of America and Apple, before starting his own firm.

Even in semi-retirement Joe uses the latest technology tools to his advantage, creating internet businesses, including his latest: a website permitting users to share travel experiences from around the world.

Owing so much to the educational institutions that paved his way, Joe has provided for generous legacies to Brooklyn Tech, Psi Upsilon and UCLA. And most importantly, he is building on his dedicated annual giving to NYU in gratitude for the scholarship he received. Pleased that NYU has reenergized its traditional strength in science and technology by the addition of the Polytechnic School of Engineering, Joe is establishing a named permanent scholarship fund for future generations of curious and dedicated engineering students. “I want to help the University’s Momentum Campaign for Scholarships to be successful for NYU Engineering,” he says, “and hope that my classmates and colleagues from the Heights and Poly join me in supporting the engineers/scientists to come.”

FLEXIBILITY: ANOTHER PLANNING BENEFIT
Charitable bequests offer a variety of planning options—methods or arrangements that can help you meet personal needs. For example, you can:
• give specific property or a specific amount of money
• designate a specific percentage of your estate as a gift
• authorize a residual bequest, which means that NYU receives what is left in your estate after all other obligations have been met.
• provide for “contingent bequests” in case certain of your legatees do not survive you.

A charitable bequest is a unique and dependable planning tool that protects your personal needs today, while meeting your planning and philanthropic goals for NYU in the future. What’s more, a charitable bequest is easy to arrange. Simply consult with us—and your attorney—about steps you can take to direct that part of your estate be used to realize philanthropic goals. Since a bequest never locks you into a gift you can’t change, you always remain in complete control of the planning process.
Designation Possibilities

Another simple but effective estate planning option for meeting philanthropic goals is to name NYU as beneficiary of a life insurance policy or retirement account, or include us through a Payable on Death designation for your savings or checking account.

LIFE INSURANCE BENEFICIARY
You may have a life insurance policy that is no longer needed. Perhaps you purchased it to pay off a mortgage or set up a college fund in the event of your death, and now the mortgage is paid and the kids are grown. You can name NYU as the beneficiary or contingent beneficiary of that policy. You’ll be assured that the policy proceeds are used in the way you would prefer, and it costs you nothing. All you need to do is contact your insurance agent to request a change of beneficiary form.

REirement PLAN BENEFICIARY
You may have more than one retirement plan, perhaps including a traditional IRA or 401(k) plan. If your financial goals include providing for loved ones and NYU, there’s a good reason to consider naming us as the beneficiary of one of these tax-deferred accounts while leaving other assets to family members.

IRA or 401(k) assets left to family members or heirs are subject to income tax on distributions as they occur. But since NYU is a qualified charitable organization, assets left to NYU are received in full, with no income tax payable.

CONSIDER SAVINGS AND CHECKING ACCOUNTS
With a Payable on Death (POD) designation, at your death all funds in the account are payable directly to the person or charitable organization that you name. Your bank can provide the proper form. (Note: Be sure to check the law in

CHARITABLE BEQUESTS
The simplest way to give through a will is by charitable bequest. A charitable bequest is a simple designation in your will that gives a particular charity:
• a particular asset (e.g. a piece of property)
• a set amount of money (e.g. $10,000)
• the residuary estate (what is left after provisions for loved ones have been met)

The Next Step
We hope this newsletter has helped you think about some of the personally satisfying ways to meet planning goals through a strategy that also supports the NYU programs important to you. For more information about taking the next step, contact us by phone or email, or return the enclosed card. We’ll send a complimentary copy of a brochure that will help you in the planning of your estate. We would also be honored to work with you and your advisors to explore gift options that may be right for you.

It is important that the University’s legal name be used in all wills and trusts. We recommend use of the following language: “I give, devise and bequeath [assets] to New York University, a New York education corporation with its principal office at 70 Washington Square South, New York, New York 10012.” Please contact us so we can help you draft additional language that describes how you want your legacy to be used at NYU.