HAVE A PLAN

Year-end Gift Planning Strategies to Benefit You and Students
A Prescription for Impact

GEORGE PROTHRO, MD 45 HAS A PASSION FOR WASHINGTON UNIVERSITY. “Washington University is one amazing school,” he says enthusiastically. He credits his many accomplishments throughout his career to his medical school training adding, “I am indebted to Washington University for whatever I have accomplished in my career and consider it a privilege to be able to give something back.”

A pediatrician with a thriving practice early in his career, George became interested in public health, eventually becoming director of the Tulsa City-County Health Department. In 1996, dismayed by the fact that millions of dollars in sealed prescription drugs were being flushed down the toilet every year in long-term care facilities throughout Tulsa, he set out to change the system — not an easy undertaking given the many legal and logistical hurdles in transferring prescription medications. “We were told it could not be done,” George says. Despite initial opposition from several groups, including members of the Oklahoma state legislature, the program was launched in 2004 with unanimous support from all sides, including passage by 100 percent of the state legislature.

“It was a team effort,” George emphasizes. “Initially, they allowed us to recycle 25 non-narcotic drugs. Now all non-narcotic prescription drugs can be recycled.” Today, the program, which has been the model for similar programs in 22 states and has received national attention including the President’s Point of Light Award, recycles approximately 18,000 prescriptions a year with a wholesale value of $1.4 million. He estimates that $8.6 million in prescription drugs have been collected in Tulsa and surrounding counties for distribution to local low-income and indigent populations since the program began in 2004 and he anticipates reaching the $10 million mark in 2012, at which time he plans to celebrate with the many volunteers who have helped make the program a success.

George’s passion to give back extends to Washington University where he and his wife, Joy, have established several charitable gift annuities and an estate gift that will fund the endowed George W. Prothro, M.D. Scholarship at Washington University School of Medicine. His concern for students and the financial burden of medical school tuition stem from his own experience as a young medical student, when he received a military stipend that covered three years of tuition. “Establishing our gift annuities was a good financial decision,” George says. “They provide good returns to us, and are good for students and the school I love. It’s a winner all the way around.”

A charitable gift annuity is a great way to receive lifetime payments and a year-end charitable tax deduction. See page 2 for current rates.
Planned Giving and Scholarships:
A Life-Changing Impact

When one estate gift funds scholarships for more than 700 students, including a Nobel laureate, Washington University department chairs and faculty, and outstanding physicians and researchers throughout the world, there is no denying the impact of planned gifts. Just as the Jackson Johnson Scholarship continues to have life-changing impact on medical students at Washington University 80 years after it was founded, every scholarship established through a current gift, an estate gift, life income plan or other planned gift has a profound impact on the lives of students today — and will have for generations to come.

While the number of planned gifts in support of scholarships continues to grow, scholarships remain a top priority for Washington University with approximately 50% of undergraduates and the majority of graduate students receiving financial assistance. Currently, the university provides $74.6 million annually for undergraduate student financial aid. Of this amount, only 23 percent comes from endowment designated for scholarship support.

Giving through your estate plan, a life income plan or other planned gift provides excellent strategies for establishing an endowed scholarship, which complement your financial and estate plans.

Beneficiary Designations
Naming the university as a beneficiary of your qualified retirement plan is a tax-efficient way to make a gift because distributions to the university are not taxed. If you leave these assets to individuals, income and estate taxes may reduce these assets by 50 percent or more (see page 2). You may also designate the university as beneficiary of a life insurance policy or commercial annuity.

Wills and Trusts
You may include a provision in your will or living trust in which you designate a specific dollar amount, a percentage of your estate or specific property to the university. This enables you to retain control of your assets during your lifetime and may reduce estate taxes after your passing.

Make a Gift and Receive Lifetime Income
Life income plans, such as charitable gift annuities or charitable trusts provide lifetime payments to you and/or your designee, a charitable income tax deduction and capital gain tax savings if funded with appreciated stock and/or real estate. When the payments end, your gift will support scholarships in the school of your choice.

As you plan your year-end charitable giving, consider how a planned gift can positively impact your future and that of a student. To learn more, contact the Office of Planned Giving at 800-835-3503 or 314-935-5373.
Estate Planning and Your Retirement Plan Assets: A Tax-Efficient Way to Give

One of the most tax-efficient ways to give through your estate plan is to designate the university as a beneficiary of a Qualified Retirement Plan (QRP) such as an IRA, 401(k) or 403(b). QRP assets are often subject to significant taxes upon the death of the owner. If QRP distributions are made to individuals, the distribution may be subject to both income and estate taxes. Depending on the income and estate tax rates, loss due to income and estate taxes may exceed 50%. You can avoid or reduce this loss to taxes by naming Washington University as a death beneficiary of your QRP because the university is not subject to income and estate taxes.

If QRP distributions are made to individuals, the distribution may be subject to both income and estate taxes.

Another option which you may consider is to distribute the assets of your QRP upon your passing to a charitable trust with the university serving as trustee. This may be especially attractive if you want to make a significant gift to Washington University and also provide some benefit to your family or friends. The charitable trust invests the proceeds and pays income to your named beneficiary(ies) for a period of years (in some cases for life). While there is no income tax incurred when the QRP is distributed to the charitable trust with the university, the income payments to the beneficiaries will be taxed. A portion of the distribution to the university will qualify as a charitable estate tax deduction. When the trust ends, the principal is distributed to the university for the purpose(s) you state in the charitable trust.

To learn more, contact the Office of Planned Giving at 800-835-3503 or 314-935-5373.

Generate a Year-End Tax Deduction through a Charitable Gift Annuity

When you establish a charitable gift annuity with a gift of cash or publicly traded securities, you will receive:

• Fixed lifetime payments (a portion of which may be tax-free) for you and/or your designee
• A charitable income tax deduction for a portion of your gift
• A reduction of capital gain tax if funded with appreciated securities
• Estate tax benefits

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<th>ONE LIFE</th>
<th>TWO LIVES</th>
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<tr>
<td>AGE</td>
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<td>90+</td>
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* Rates as of July 1, 2011. Rates are subject to change.

FOR INFORMATION AND A PERSONALIZED ILLUSTRATION OF THE FINANCIAL AND TAX BENEFITS, contact the Office of Planned Giving at 800-835-3503 or 314-935-5373.
As you plan to celebrate your reunion, consider how a planned gift can provide financial and tax benefits that will positively impact your future, and have a profound impact on the future of Washington University and our students. Depending on your personal, philanthropic and estate planning goals, one or more of the following giving strategies may enable you to make a planned gift that complements these goals and contributes to your class gift.

- **Checks**: Checks must be postmarked no later than December 31, 2011.
- **Electronic Transfers**: Transfers of cash or securities must be received into the Washington University account by December 31.
- **Credit Card Charges**: Charges must be incurred by December 31. To make an online gift visit gifts.wustl.edu/giftform.aspx.
- **Stocks**: If you are contributing shares of stock in certificate form, please contact the Office of Planned Giving for instructions.

For assistance with year-end gifts, contact the Office of Planned Giving at 800-835-3503 or 314-935-5373.

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**ARE YOU CELEBRATING A REUNION IN 2012?**

As you plan to celebrate your reunion, consider how a planned gift can provide financial and tax benefits that will positively impact your future, and have a profound impact on the future of Washington University and our students. Depending on your personal, philanthropic and estate planning goals, one or more of the following giving strategies may enable you to make a planned gift that complements these goals and contributes to your class gift.

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<td>- Allow you to retain control of assets during your lifetime</td>
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<td>- May reduce estate taxes after your passing</td>
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<td>Life income plans (Charitable gift annuities and trusts)</td>
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<td><strong>Beneficiary designations</strong></td>
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<tr>
<td>- Attractive lifetime payments to you and/or your designee (see rate chart page 2)</td>
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<td>- Charitable income tax deduction</td>
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<td><strong>Beneficiary designations</strong></td>
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<td><strong>Tax-free charitable gifts from IRAs</strong></td>
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<td>- May be made through December 31, 2011. (see page 4 for details)</td>
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I am interested in the scholarship initiative. Please send me information.

I would like a personal illustration of how a charitable gift annuity would benefit me. Use the amount checked below for my illustration:

☐ $5,000    ☐ $10,000    ☐ $25,000
☐ $50,000    ☐ other $ ________________

My gift may be: ☐ cash or ☐ securities ($ ________________)
(cost basis)

My birth date is ________________.

Please include a second individual whose birth date is ________________.

☐ I am interested in making a gift of real estate & receiving lifetime payments.
☐ I have included Washington University in my estate plan.
☐ I wish to join the Robert S. Brookings Partners in recognition of my planned gift for the university.

Thank you for supporting Washington University!

Name (Please Print)

Address

City/State/Zip

Daytime Phone

Preferred Email

Still Time to Make Tax-Free Gifts with an IRA Rollover

Through December 31, 2011* individuals 70 1/2 or older can make tax-free gifts totaling up to $100,000 using funds transferred directly from their IRAs to qualified charitable organizations such as Washington University. Your spouse may also be eligible to make such gifts up to $100,000 from his/her IRA.

Don't let this opportunity pass you by. To learn more or to make a gift, contact the Office of Planned Giving at 800-835-3503 or 314-935-5373.

*At the time of publication, Congress has not extended this opportunity beyond 2011.
The Robert S. Brookings Partners recognizes individuals who have chosen to support Washington University through estate gifts, life income plans or other planned gifts. The generosity of these donors helps ensure the continued excellence of the university for generations to come. For information or to notify us of a gift in your will, trust or other planned gift, please contact the Office of Planned Giving at 800-835-3503 or 314-935-5373.
What’s inside:

Planning to Support Scholarships Today and Tomorrow
Tax-wise strategies for supporting scholarships see page 1.

Brookings Briefs
Tips for planning your year-end giving see page 3.

A Prescription for Impact
Alumnus George Prothro, MD, turns his passion to give back into a plan with remarkable impact see page 6.

What are the Most Tax-Efficient Ways to Give?
Learn how retirement plan assets can be a smart way to support your favorite school or program see page 2.

Celebrating a Reunion in 2012?
Giving strategies that provide financial and tax benefits to you and contribute to your class gift see page 3.

IRA Rollover Set to Expire
There is still time to make tax-free charitable gifts from your IRA before year-end see page 4.

The Office of Planned Giving is here to assist you.
Washington University Office of Planned Giving
(800) 835-3503 | (314) 935-5373 | plannedgiving@wustl.edu