



# THE HERITAGE CIRCLE MIDWESTERN UNIVERSITY



## FINANCIAL AND PHILANTHROPIC PLANNING IDEAS

FALL 2016

### ALUMNUS LEAVES HIS LEGACY TO FURTHER FACULTY-STUDENT RESEARCH

For Michael Walczak, D.O., M.D. (CCOM 1962), practicing medicine was entirely about holistic care—mind, body and spirit—and involved lifelong learning about the critical link between nutrition and good health.

Dr. Walczak, who passed away in October 2015, was grateful for his education at CCOM. He bequeathed a seven-figure gift from his Healthy Lifestyles Trust and another six-figure gift from his individual retirement account to Midwestern University’s Chicago College of Osteopathic Medicine (CCOM). These funds will further research in vitamin therapy to treat diabetic retinopathy, diabetic neuropathy and cardiovascular disease.

Awards made from this research fund will be competitive and inter-professional, according to Karen J. Nichols, D.O., Dean of CCOM. She added, “CCOM is so honored to have alumni of the stature of Dr. Walczak, dedicated to improving the health of patients and the education of the colleagues who will follow in his footsteps.”

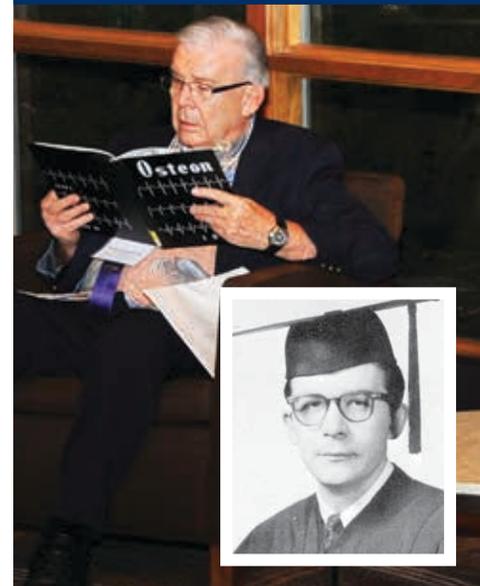
Vicki Renick, Dr. Walczak’s niece and a trustee of the Healthy Lifestyles

Trust, said, “I know the significance of leaving a legacy and of expanding vital research to prove potential benefits in vitamin therapy were both paramount in my uncle’s decision to create this gift. Of course, CCOM was very dear to him and a natural selection to be the recipient. Education was very important to him, and he would be humbly honored to support the worthy programs that CCOM will create.”

Dr. Walczak was born in Flint, Michigan. Following graduation from CCOM, he spent his entire medical career in California. Licensed in internal medicine, he specialized in nutrition and sports medicine, hypothyroidism and anti-aging. Although this was not the type of practice he envisioned when he entered CCOM, his interests evolved over the years through clinical experience.

When asked what motivated him to concentrate on internal medicine and nutrition, he answered, “Results. Patient interest and poor results with traditional medicine convinced me I was on the right track. I also experienced remarkable results with vitamin therapy in my own life.”

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*Dr. Michael Walczak*

“CCOM was very dear to him.”

—Dr. Walczak’s niece, Vicki Renick

To learn more, please visit our gift planning website: [midwestern.givingplan.net](http://midwestern.givingplan.net)

# THE LIVING TRUST: PARTNER TO A WILL

In recent years, what is often referred to as the *revocable living trust* has become a common means of transferring property between generations.

## WHAT IS A LIVING TRUST?

The concept is quite simple. When you establish a trust, you create an artificial “owner” for the property that is placed in the trust. The trust becomes the owner of property to be managed for your own benefit or the benefit of your loved ones. With the trust in place, your assets and/or income are managed by a trustee according to the terms you set out. You can be the trustee yourself or appoint another to serve in that capacity.

The property in the trust doesn't normally pass through probate because the trust documents specify who will receive any property after your lifetime. You can change or revoke your living trust at any time. That is why it is referred to as a *revocable* living trust. Unlike a will, trusts are not generally filed as public documents so more privacy can be maintained if desired.

## A WILL AS BACKUP

Even if you decide to make use of a revocable living trust, joint ownership or other arrangements to handle the majority of your estate distribution, having a will in place is a wise choice as well.

Frequently, a “pour-over” will is used in conjunction with a living trust and/or other ways of transferring assets. For example, it may not be convenient to place household items and valuables such as collections, jewelry and family heirlooms in a revocable living trust. In the absence of a will, they will be disposed of according to state laws, as if you had no other plan.

A will can direct that any property not transferred to your trust “pour over” into the trust at the end of your lifetime and be distributed according to the trust provisions.

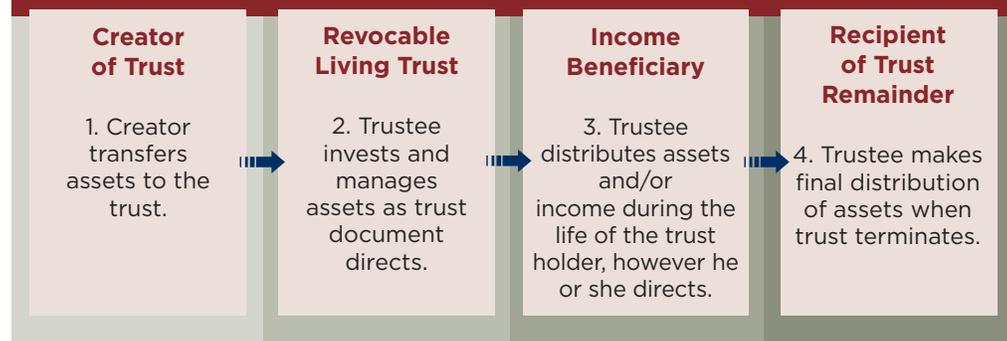
## CHARITABLE DIMENSION

Remember that, like a will, living trusts function according to your instructions. If, for example, you would like to make charitable gifts using assets in a living trust, you must specify in the trust the assets are to go to one or more charitable interests. If you would like for your trustee to be able to make charitable gifts on your behalf this should be set out in the trust document as well.

Your attorney can advise you, and we will be happy to provide a confidential consultation on ways you can use a living trust to make a meaningful gift to Midwestern University. ■

A living trust may be a practical addition to your estate plan. Your attorney or other advisors can help you determine if a living trust should be a part of planning for probate.

## HOW A LIVING TRUST WORKS



# SMART GIVING WITH SECURITIES

Many people find investing in stocks, bonds and other securities over time can be an essential part of building their financial future.

You may be surprised to learn such assets can be an excellent source for providing charitable support and can bring about welcome tax benefits.

Here are some commonly asked questions about giving securities.

## **Q. What are the advantages of using securities to fund my gift?**

**A.** Giving noncash assets can result in especially favorable tax treatment. If you have owned securities for more than one year that have appreciated in value, you may owe a substantial capital gains tax if you sell them. But if you use these assets to fund a charitable gift, you will bypass capital gains tax while enjoying a federal income tax deduction for the full value of the securities. These savings may allow you to make larger gifts than you may have thought possible.

## **Q. Which security should I give?**

**A.** For maximum tax benefits, it is usually best to give securities that have increased in value the most since you have owned them.

## **Q. What if the securities have dropped in value?**

**A.** It is usually best to sell them, and then make a gift of the cash proceeds. You may then be able to claim tax benefits for both the capital loss and the charitable gift.

## **Q. How do I make a gift of securities?**

**A.** It depends on whether the securities are held in a brokerage account or you have personal possession of them. For tax purposes, the gift is complete at the time of the actual transfer. Ask us or your financial advisor about the best way to complete your gift. It's a good idea to allow sufficient time for the completion of gifts of securities, particularly at year-end.

## LEARN MORE

As you can see, by giving securities, you can maximize the size of your gift to Midwestern University, conserve cash for other purposes and enjoy multiple tax benefits. We will be happy to assist you and your advisors. Please contact us or return the enclosed card. ■



## ...FACULTY-STUDENT RESEARCH

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Dr. Walczak served on the medical board for the Vascular Research Foundation and was a board member of the Southern California Aging Association, the Edgar Cayce Research Foundation and the Diabetes Association of Southern California. His publications included research on vitamin therapies for diabetic retinopathy. He served as president, editor and board member of the "Journal of Applied Nutrition." He also coauthored two books, *Nutrition and Well Being* and *Nutrition Applied Personally*.

From the earliest years of his medical career, Dr. Walczak was a generous annual contributor to the CCOM Alumni Association and the Millennium Society. As a long-time member of the Heritage Circle, he endowed the **Michael Walczak Scholarship Fund** to benefit CCOM students. In 2014, he gifted a valuable sculpture to his alma mater, a miniature replica of the World Friendship Monument by acclaimed international artist Brett-Livingstone Strong. The CCOM Class of 2014 partnered with him and presented Midwestern University with a museum-quality archival case to display the sculpture in the Ward E. Perrin, D.O. Room in Littlejohn Hall on the Downers Grove Campus.

Dr. Walczak joined the students that year for their graduation banquet, saying he wanted to experience the enjoyment of spending time with the newest generation of osteopathic physicians. Upon hearing of their generosity in making their class gift toward the display case, he was deeply touched by their enthusiasm and interest in the sculpture. "I'm glad they were inspired," he said. "I'm particularly grateful they understand that as healthcare professionals, they will serve a diverse population."

The legacy gift Dr. Walczak established honors his career achievements and underscores his devotion to holistic osteopathic principles. Ultimately, his generous gift will support Midwestern University faculty and student researchers, who he believed will be leaders in unlocking answers to widespread and often highly preventable cardiovascular diseases. ■

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## AN UNEXPECTED SOURCE FOR GIVING

Using retirement funds for making charitable gifts is generally not among most people's plans at the outset. However, retirement plan assets can be a wise source to make your gifts, both now and in the future.

### GIVING NOW

**Make Tax-Free Gifts to Northwestern University from Your IRA.** If you are aged 70½ or older, you can give directly from a traditional or Roth IRA completely free of federal income tax (up to \$100,000 per person per year).

Giving directly from your IRA won't increase your adjusted gross income and possibly subject your Social Security income to a higher level of taxation. Additionally, your charitable IRA gift may count towards your required minimum withdrawal.

### GIVING LATER

**Make Northwestern University the Beneficiary of a Retirement Plan.** When you leave the balance of an IRA, 401(k) or 403(b) to your heirs, they must carefully manage the account to avoid losing its tax-deferred status and potentially triggering large income taxes and possible penalties.

You can simplify matters for your loved ones by directing all or a portion of what remains in your retirement accounts to charities and leaving other more tax-favored assets to your heirs. Designating a charitable beneficiary of a retirement account does not require you to change your will.

For more information about making a gift using retirement plan assets, simply return the enclosed card. ■



## MIDWESTERN UNIVERSITY

*Educating Tomorrow's Healthcare Team*

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