Fall 2010

Giving Thoughts

Planning Today For Clearbrook Tomorrow

Parent Creates Legacy for Clearbrook's Future

Dr. Morris Fine is a man with an impressive professional reputation. Currently a Professor Emeritus of Materials Science and Engineering at Northwestern University and still conducting research, this active 92-year-old began teaching at Northwestern in 1954. While there, he helped create the first materials science department in the world. Before joining Northwestern, Fine worked on the Manhattan Project during World War II and at Bell Labs.

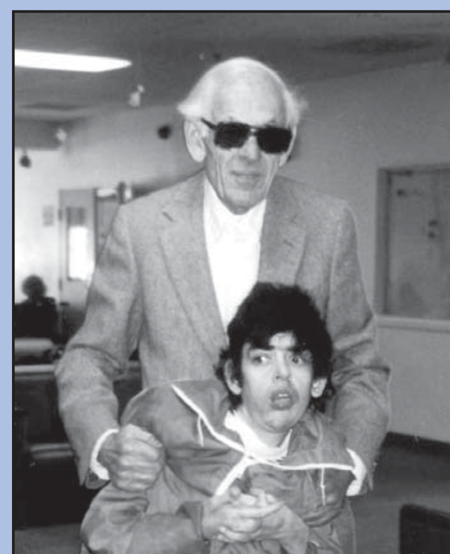
However, even with these and many other career accomplishments on his resume, Dr. Fine seems most proud of his family, which includes his daughters Susie and Amy and two grandchildren (Milly, his wife of 54 years, passed away in 2004). He also has an extended family at Clearbrook, where Susie has lived since 1996.

"Susie was born in 1952 and by the time she turned a year old, Milly and I could tell she was behind in her mental development," Dr. Fine says. The Fines raised Susie at home until age 20, when she moved into a new residential facility in Highland Park—funded in part by the Fines and other parents. When that facility closed, the Fines and several other families helped found the Wright Home in Gurnee, which is now part of the Clearbrook organization.

Dr. Fine says Susie enjoys spending her weekdays at Clearbrook's developmental training program. Until a recent hip surgery impeded his mobility, Dr. Fine picked Susie up for weekends at home. "We would go on walks together or visit the Chicago Botanic Garden," Dr. Fine says. In part because of Susie's love of the outdoors, the Fines created a beautiful backyard environment at the Wright Home called the Rose Glazer Garden, named after Susie's beloved maternal grandmother.

In addition to his current support, Dr. Fine has made a generous commitment to Clearbrook's future in his living trust. "When my wife and I drew up our trusts, we decided that a percentage of our estate would go to Clearbrook," Dr. Fine says. "I know from firsthand experience that Clearbrook is a wonderful organization, and my gifts will be used wisely."

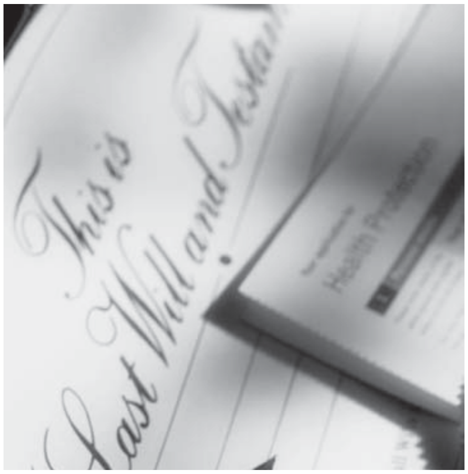
"I am not going to be around forever," Dr. Fine notes, "and I want to be sure Clearbrook is healthy and secure in the future…not only for Susie, but for all the clients they serve, many of whom have become like family to me."



Dr. Morris Fine and daughter, Susie

Your Will . . . the First Step in the Planning Process

As in the case of other important projects, beginning the estate planning process with the correct tools in mind can make all the difference in the outcome. Experts frequently recommend beginning with a will, the planning vehicle that typically forms the basis of even the most complex estate plans.



Exercise your rights

In a society where private ownership of property is allowed and encouraged, the right to decide who should eventually receive your property is a vitally important responsibility. The last will and testament has been carefully designed over centuries to be a primary vehicle for use in directing future disposition of your property.

A flexible instrument

Wills are extremely flexible. Through your will you can provide others with particular sums of money, certain properties, or percentages of your estate. You can mix methods as well. For example, you may choose to leave exact amounts to certain heirs while directing that others split the remainder of your assets in percentages you determine.

Coordinate with other plans

Remember that your will by itself may not determine who will receive many of your assets. One of the biggest mistakes made is to ignore the impact of other ways to distribute property to heirs.

To illustrate, if you own real estate jointly with another person, your will may have little or no effect on who will ultimately own the property. The same is true for proceeds from life insurance policies and retirement plans. A beneficiary designation completed years ago could determine who receives the benefits, not the terms of your current will.

For this reason and others, you should only undertake revision of your will with competent advice in connection with a thorough review of all of your assets and the forms in which they are held.

Tax Pointers

The "sunset" provisions of the 2001 Tax Act are likely to affect virtually every taxpayer. Gift, estate, and financial plans should be reviewed with your professional advisor.

- A variety of tax cuts are scheduled to expire.
- The amount you can leave to heirs free of federal estate tax is scheduled to be reduced.
- Retirement accounts may be taxed more than other assets.
- Unlimited amounts may be left to a spouse tax free.
- Full tax rates may apply at the death of the surviving spouse after this year.
- There is no limit to the amount deductible from federal estate tax for charitable gifts.
- It is possible to provide for loved ones, make charitable gifts, and reduce or eliminate estate taxes.

Reducing the Cost of Probate

Here are a few ways to help accelerate the distribution of property while minimizing expenses associated with the probate process:

- **Have a valid, up-to-date will.** Make sure your executor (in some states known as a "personal representative") is still capable and willing to serve.
- **Consider a living trust.** Many people have found living trusts to be a welcome addition to their plans. Your attorney, trust officer, or other qualified professional advisor can provide more information about the usefulness of such trusts for you.
- **Carefully review the beneficiaries of your life insurance policy(ies) and retirement plans.** Make certain the persons named to receive funds still reflect your wishes. Talk to your life insurance professional, your employer's employee benefits manager, or others who may manage your retirement plans.
- **Review joint ownership.** Joint ownership of real estate, bank accounts, brokerage accounts, and certain other types of property can be a good way to minimize the delays and fees associated with probate. But beware of overuse of joint ownership, especially if you believe your estate may be subject to tax.

Planning for Incapacity

A power of attorney can name the person or persons you wish to handle your financial affairs should you be unable to do so, or if you simply prefer that others manage your assets.

A living will can record your wishes about extraordinary medical care and life-support measures.

Changing With the Times

Whether you realize it or not, your estate plans may have changed.

Changes in your family, your charitable priorities, state or federal estate tax law, or the performance of the economy can make it necessary to revise even the most well-considered plans. Expiring provisions of the 2001 Tax Act are one reason every estate plan should be reviewed.

Importance of regular updates

Routine reviews of your estate plans with your attorney and other advisors are the best way to make sure your arrangements keep up with the times. For example, a will drawn 10 or 15 years ago may include provisions suited to a smaller estate. Additionally, the value of a home, stocks, bonds, and other assets may have increased if you have owned them for a long period of time. This could call for important changes in your will and other estate plans.

Assets can drop in value as well. This can be another reason to make certain that your wishes are still reflected in light of current conditions.

Do These Apply?

- ☐ **Family changes**
- ☐ **A move to another state**
- ☐ **Pending tax law changes**
- ☐ **A change in wealth**

Leaving a Legacy While Providing for Heirs

Charitable gifts included as part of your long-range estate and financial planning can offer a wonderful way to provide lasting support to Clearbrook. It can be possible to make a "gift of a lifetime" while possibly minimizing taxes and settlement costs and conserving more of your estate for loved ones. Some points to remember:

- Memorial gifts are often received through an estate. A memorial can serve as an enduring and loving tribute to one or more individuals while contributing to the benefit of Clearbrook.
- Estate gifts can be funded with cash, securities, real estate, or other property.
- A gift of all or a portion of the "residue" of your estate refers to property remaining after all distributions to family and others have been satisfied.
- Gifts may be stated in terms of a percentage of an estate, thereby allowing gifts to increase or decrease depending on the value of the assets remaining.
- Increasingly popular gift planning tools enable you to make a meaningful gift while enjoying increased income (for life or another period of time you determine), tax savings, and other benefits.

We will be pleased to provide more information to you and your advisors concerning ways you can provide a lasting legacy while preserving financial security for you and your loved ones.

For more information on ways to include Clearbrook in your estate plans, please return the enclosed reply card or call Kelly McGraw at (847) 385-5014.

Kelly McGraw
Vice President of Principal Gifts
Clearbrook
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Arlington Heights, IL 60005

Mark Your Calendar

You are invited to learn how a living trust can protect you and your family. On October 5 and October 6, Dick Hess, CFRE, Vice President of FPM, will present the benefits of Revocable Living Trusts and other estate planning vehicles at Clearbrook. There is no cost to attend.

To reserve your spot or for more information, please contact Kelly McGraw at 847.385.5014 or kmcgraw@clearbrook.org.