Planned Giving at Harvard Law School

Making a gift for today and tomorrow
Through its research and teaching — and through the work and example of its graduates worldwide — Harvard Law School is dedicated to advancing justice and strengthening the rule of law.
A portrait of . . . you?


You believe that your Law School education has helped you succeed.

You’re a supporter of the Law School — or you’d like to become one.

You have the resources to make a meaningful gift to the School. Maybe, though, you have the sense that this kind of giving is for donors who are older or wealthier than you.

You’d like to make your gift in the most effective way possible — ideally, in a way that benefits not only the School, but also you and your family.

You’d like your gift to have a real impact, over the long term.

True? Then you might wish to consider a “planned gift” to Harvard Law School — a gift for today and tomorrow.
Why for today and tomorrow?

Planned gifts are among the most powerful tools currently available to philanthropists.

They can make it possible for you to do many things at once. For example, they can help you:

- advance the mission of the School, either in the short term or the long term,
- make a gift that provides you (and your beneficiaries) tax advantages and/or an income stream today, and
- attend to the financial needs of your loved ones.

There's more. Planned gifts can make it possible for you to give more, and therefore have more impact, than would otherwise be the case.

And finally, planned gifts can make it possible for you to have an impact sooner. Planned gifts can help successful people of all ages — including you — make meaningful charitable gifts.
life income plans
bequests
charitable remainder trusts
gifts of real estate
charitable gift annuities
pooled income funds
charitable lead trusts
A wealth of options

The term “planned giving” covers a wide range of gift options. These include:

- life income plans
  - charitable remainder trusts
  - charitable gift annuities, and
  - pooled income funds
- charitable bequests
- retirement plan gifts
- gifts to benefit your heirs (charitable lead trusts), and
- gifts of real estate and other kinds of property

Each of these vehicles — described in more detail in the following pages — is different. Some will prove more appropriate for your particular circumstances than others. All can help you make a meaningful gift to Harvard Law School — a gift for today and tomorrow.
Life Income Plans

A life income plan lets you make a gift to the School while receiving income for life (or a specified period of years) for either one or two individuals. You qualify for a federal income tax deduction equal to a portion of the gift amount, and get the benefit of professional investment management by the Harvard Management Company — which charges no fees for its services. Many such gifts are invested in Harvard’s endowment. There are three life income options described here: the remainder trust, annuity, and pooled income fund.

Charitable remainder trusts
Using this mechanism, you transfer assets into an irrevocable trust. The trust then provides an annual income to you or up to two named beneficiaries — either for the life of those beneficiaries, or for an agreed-upon term that does not exceed twenty years. You qualify for an immediate tax deduction equal to a portion of your gift.

At the end of that period, the trust principal is transferred to Harvard Law School, to serve a purpose specified by you.

The annual payment is based on a fixed percentage of one of two things:

- the initial value of the trust, or
- its annual value

In the former case, the amount paid each year is determined in advance, and fixed. This particular vehicle is called an annuity trust.

When the payment is made based on the annual value, that payment varies depending on the value of the trust. This is a unitrust. The payout in both the annuity trust and the unitrust typically ranges between 5 and 7 percent.

The minimum amount to establish a Harvard-managed charitable remainder trust is $100,000 and the minimum life income beneficiary age is 50. Harvard’s expert management services are provided at no cost to you or your beneficiaries.

(continued on page 8)
As a former Commissioner of Internal Revenue — and currently as a partner in the tax practice group of Akin, Gump, Strauss, Hauer & Feld in Washington, D.C. — Don Alexander has spent much of his career trying to perfect the American tax system.

It was this life’s work, as well as his appreciation for his Harvard Law School education, that motivated Don to establish the “Alexander Fund for Tax Research” at the School. This endowed fund will make income available for research projects at Harvard in domestic and international tax law, and enable generations of HLS legal scholars to tackle tough challenges — much like those that Don has faced throughout his professional life.

The specifics: In 1997, Don set up a Harvard-managed charitable remainder unitrust to pay income to him and his wife Margaret (now deceased) for life. Eventually, the unitrust assets will be added to the Alexander Fund for Tax Research. In the meantime, Don’s gifts to his unitrust — including additions he makes to the unitrust periodically — have generated substantial income tax deductions, and have helped to increase his income.

Recently, Don took advantage of a favorable IRS ruling and elected to have his unitrust invested directly in Harvard’s endowment. This move, he is convinced, will maximize the potential for growing both principal and income.

And although Don’s professional experience defines him as the “expert’s expert,” when it comes to tax issues, he emphasizes the simplicity of planned giving. “You don’t have to be a tax expert to realize how powerful these unitrusts can be,” Don explains. “I am contributing more to Harvard than I ever thought possible, and I continue to receive substantial income with no management fees charged to my unitrust by Harvard.”

“It’s given me a special opportunity to create a fund at Harvard that means a great deal to me,” he adds, “and I’m gratified to know that my gift will continue my work in furthering sound tax systems and good tax administration, in the U.S. and elsewhere.”
You may choose to have your entire Harvard-managed trust invested in Harvard’s endowment, so long as Harvard is the only charitable designation. In recent years, Harvard’s endowment managers have produced exceptional returns. This means a potential for increased principal, and — in the case of a unitrust — the possibility of increased annual income to you or your beneficiaries.

Charitable gift annuity
A gift annuity is a contractual agreement between you and Harvard. In exchange for your gift, Harvard agrees to pay you a fixed and guaranteed sum each year for the remainder of your life. The older you are when you make your gift, the higher the annual amount that you will receive from Harvard. In addition you will qualify for a federal income tax charitable deduction for a portion of your gift’s value.

Gift annuities are highly flexible tools. You can design a deferred annuity to pay an income stream starting at some point in the future, such as your anticipated retirement years. Both your income stream and the size of your deduction are increased when you defer payments by at least one year.

Gift annuities can be set up to provide benefits to one or two people — for example, to you for the balance of your lifetime, and then to your spouse for the balance of his or her lifetime. (So-called “two-life annuities” have lower payouts and deductibility than single-life annuities.)

The minimum initial gift amount is $25,000. Depending on the donated asset, annuity payments may be partially tax-free.

On the death of your last income beneficiary, the principal is transferred to Harvard, to be used in accordance with the terms of your gift.
Three Decades of Planned Giving

Jerome E. '47 and Isabelle Hyman

Jerry Hyman made his first gift to Harvard Law School over a half-century ago, and the first of several planned gifts more than a decade ago. The details of that first planned gift are no longer in the front of his mind. “It was an annuity,” he says, brow furrowed, “which generated a small annual payment.” But he has no doubt about the primary intent of the gift: “To benefit the Law School, of course.”

Isabelle Hyman — an expert in the history of architecture, who for 40 years was on the faculty of New York University and is now Professor Emerita — explains why her husband of 45 years feels strongly about the Law School. “Jerry was born and brought up in a tiny farming town in the Mississippi Delta,” she says. “The impact Harvard Law School had on him — the culture, the intellectual atmosphere, the friends he made there — was enormous.”

After graduation, Jerry clerked for Judge John C. Mahoney, United States Court of Appeals, First Circuit, and then went on to a distinguished career with what was then Cleary, Gottlieb, Friendly & Cox and later Cleary Gottlieb Steen & Hamilton LLP.

From the start, Jerry felt a strong debt of gratitude to the Law School. He has contributed to the Harvard Law School Fund since its inception. He also has served the School as President of the Harvard Law School Association of New York City, as a member of the Visiting Committee, as Chairman of his class reunions, as a member of various other committees and now as a member of the Executive Committee of the Dean’s Advisory Board. His and his wife’s planned gifts to the School include — in addition to the first annuity — a charitable remainder trust, and, more recently, additional gift annuities, which pay a fixed income to the donor for life. Although one of their earlier gifts was in the form of a charitable remainder trust, they have not used trusts in recent years. “We considered another charitable remainder trust,” Jerry explains, “and for a younger person, investment oversight by the Harvard Management Company would be a powerful incentive. Given our age, though, it simply makes sense to go with the annuity now.”

Jerry and Isabelle also have included in their wills a bequest to establish a professorship at the School, and scholarships that give preference to Harvard Law students who are Mississippi residents or graduates of the College of William and Mary, where he was an undergraduate. Why the mix of current planned gifts and future bequests? “They’re going to get it anyhow,” Jerry says, smiling, “so our thinking is that they should get at least some of it now.”
Pooled income funds
A pooled income fund is structured much like a mutual fund, but with a charitable purpose.

When you participate in a pooled fund, you make a gift to a fund that is managed by Harvard. (The minimum initial gift amount is $25,000, and additional gifts in amounts of $10,000 or greater can be made later.) Your gift is “pooled” with gifts from many other donors. You are assigned a number of units in the fund based on the size of your gift and the value of the units. The fund then pays you (or up to two other beneficiaries) income quarterly. The amount of that quarterly payment represents your share of the actual income earned by the fund.

A gift to a pooled income fund qualifies you for a federal income tax charitable deduction in the year of your gift, equal to a portion of your gift amount.

Upon the death of the last income beneficiary whom you have named, the principal is transferred to Harvard, to be used for purposes specified by you.

Harvard currently offers four pooled income funds, each with a distinctive investment objective. Like mutual funds, they emphasize either growth or income, or in some cases a combination of the two. Some specialize in U.S. Treasury issues and high-grade corporate bonds, others make investments primarily in U.S. equities, and still others look overseas for growth opportunities.
Charitable bequests

Charitable bequests are gifts made to Harvard Law School by means of your will or other estate plans. The School owes its existence to a bequest from Isaac Royall, made more than two centuries ago. Ever since, bequests have played a critical role in supporting the work of the School.

Bequests can include gifts of cash, securities, real estate, life insurance, and a wide variety of other assets. Life income plans may also be established through a bequest provision.

There are a variety of ways to structure a charitable bequest to Harvard Law School. Below is simple language for an unrestricted bequest provision to Harvard Law School. If you have a specific gift interest in mind for your bequest, please call our office for suggested language.

I give (______dollars/_______percent, or all of the residue of my estate) to the President and Fellows of Harvard College, a Massachusetts educational, charitable corporation, for the benefit of Harvard Law School.

Bequests are deductible for federal estate tax purposes, and there is no limit on the amount of the estate tax charitable deduction.
Waltrud Lampé, widow of Ernst Lampé ‘41, met her future husband in 1950. Waltrud had survived the terrors of World War II; Ernst was a lawyer on the staff of U.S. High Commissioner for Germany John J. McCloy, on a two-year assignment to help reorganize several German companies as part of the overall Marshall Plan.

The assignment brought Ernst back to Germany for the first time in almost two decades. He had left his homeland in the mid 1930s to pursue graduate studies at Oxford and the University of Barcelona. In 1937, he enrolled at Harvard Law School. He was personally sponsored by Paul Cravath, a founding partner of Cravath, Swaine and Moore. When Ernst’s funds were cut off by the onset of the war, Cravath loaned him the money to complete his degree.

After the nation returned to a peacetime economy, Ernst began his career as a corporate lawyer in New York City. But only a few years later, the combination of his legal education and his German language skills landed him a job on McCloy’s legal team — and helped him cross paths with his future wife.

“We met at a party,” Waltrud recalls. “We developed a nice friendship, which lasted most of his two years in Germany. And then, four weeks before he was going to leave, he asked me to marry him.”

Among the qualities that drew Waltrud to Ernst were his powerful intellect and inquisitive nature. He spoke five languages. He read incessantly. “He loved books,” Waltrud recalls. “I have hardly a photograph of him where he doesn’t have a book in his hands.”

Ernst died in 1982, and Waltrud began looking for an appropriate way to memorialize him. In 1984, she established the Ernst Lampé Memorial Book Fund at Langdell Library, and made additional contributions to the fund on a regular basis.

And Waltrud Lampé has found another way to honor her husband’s memory: she has stipulated in her will that a percentage of her estate will go to Harvard Law School. “I just felt that I wanted to do something to symbolize his strong feelings for the Law School,” Waltrud explains. “The School meant a great deal to him, and over the years has come to mean a great deal to me, as well. I derive a great deal of satisfaction from remembering my husband in this way, and I know he would feel exactly the same way, too.”
what will make the world better?
L. David '68 and Carolyn Clark '68

David and Carolyn Clark — both members of the Class of ’68 — can’t remember exactly when they made their first planned gift to Harvard Law School. “Probably in the first will that I wrote,” Carolyn muses, “there was a bequest to the Law School.”

The Clarks admit that they had a special reason to remember the School with affection: they met there in the fall of 1966, when an accident of the alphabet (Clark, Cochran) happened to place them next to each other in Professor Robert Braucher’s Commercial Transactions class. “We did meet some great people there,” Carolyn recalls with a smile, “including each other.”

Carolyn adds that she benefited directly from the generosity of those who had gone before her at the School: “Without the scholarships and loans I received from the Law School, I never could have gone there. So I was very, very grateful.”

Since graduating from HLS, both David and Carolyn have become experts in planned giving — David as a trusts and estates attorney at Salans, and Carolyn as a charitable-giving advisor (and the first female partner) at Milbank, Tweed, Hadley, & McCloy — and have helped both their respective clients and their Law School classmates think through planned gifts.

David first became intrigued by the power of planned gifts during the summer of 1966, when he worked in Harris Beach & Wilcox’s Rochester, New York office. “The firm, and the city,” he explains, “were full of people who held stock in Rochester’s technical industries back in the ’60s, when times were good. And all those people were sitting on enormous appreciation.” Based on that experience and his subsequent years in New York City, he has developed some strong ideas about how to structure planned gifts.

For her part, Carolyn stresses the joy she has experienced in helping generous people create great institutions in New York. “It’s a wonderful field of law,” she says, “because you see the best of everyone. You talk to people about the good they want to do. What things do they want to cure? What will make the world better?”
If you have accumulated significant wealth in your qualified retirement plan (such as an IRA, 401(k), Keogh, etc.), you may wish to consider naming the Law School as the beneficiary of the remainder of your retirement account. This is a powerful and tax efficient way to make a significant bequest to Harvard.

Why? Because in the case of large retirement plans left to children or other heirs, the combined impact of income and estate taxes can lead to less than 30 cents on the dollar going to your beneficiaries (if other than your spouse). However, if you name Harvard as the beneficiary of the remainder of your retirement plan at your death, 100 percent of that remainder goes to Harvard. This strategy could enable you to earmark less-taxable assets to your heirs while making a significant gift to the Law School.

Under current law, lifetime transfers from your retirement plan to Harvard are not without certain income tax consequences. Contact the Office of Planned Giving and your own advisors to discuss your retirement plan gift options in greater detail.
You can also make a gift that provides special benefits to your heirs. One of the best tools for doing so is the charitable lead trust.

The lead trust is the “mirror image” of the charitable remainder trust. The minimum amount to fund a Harvard-managed lead trust is $1 million. The annual income from the trust is distributed to Harvard for a specified period of years, after which the trust principal is turned over to (typically) your heirs.

Through this arrangement, Harvard gets the benefit of an immediate income stream. Meanwhile, depending on how the trust is set up, you can substantially reduce or eliminate gift or estate taxes when the trust is created by means of a charitable gift or estate tax deduction. Later, your heirs will receive the trust assets — including any growth — with no additional gift or estate taxes.

Lead trusts managed by Harvard, exclusively for Harvard, may be invested directly in the university’s endowment. This means that the trust principal has the opportunity to grow at the same rate as Harvard’s endowment — which in recent years has far outpaced many other investment vehicles. As the trust principal grows, so does the ultimate benefit for your heirs.
Gifts of real estate and other property

Gifts of real estate and other property enable you to benefit the Law School in a variety of creative ways, which may provide you with flexibility, financial benefits, or both. In some cases, real and tangible personal property may be used to establish a life income plan or bequest.

Gifts of real estate can be made outright to the Law School, and can include commercial, residential, open land, farms, undivided fractional interests, and condominiums. Each gift of real estate is different, and Harvard will evaluate each potential gift on a case by case basis. Outright gifts of real estate may qualify you for a federal income tax charitable deduction for the full fair market value of your gift.

A gift of real estate can also be made in the form of a retained life estate. This is a creative arrangement which enables you to live in a donated residence for the rest of your life, while you qualify for an immediate federal income tax deduction for a portion of the value of your home. You are responsible for maintenance and taxes on the residence, and after your death, Harvard Law School assumes full control of the property.

Other gifted property can include stock in privately held companies, partnership interests, and personal property such as artwork and antiques. Federal income tax charitable deductions for these types of gifts depend upon the type of property donated. If you have property that you might want to use to make a gift to the Law School, contact the Office of Planned Giving for more information about these types of gifts.
Planned giving and bequests: a vehicle for impact

Planned gifts are extremely flexible. If you decide to make a planned gift to Harvard Law School, there is almost certainly a gift type to fit your specific circumstances.

Planned gifts are also a powerful way of giving to the School. They can have a significant impact, which at your request may be directed to a specific purpose. On these pages, you’ll find examples of three gifts that have changed Harvard Law School in profound ways. They will continue to have an impact for generations to come.

You, too, can have an impact — today, and tomorrow.

Impact: a stronger faculty

Jesse Climenko ’27, who died in 1997, provided a major gift to the School through his estate. The proceeds from the bequest were used to create an endowed professorship. Additional proceeds from his estate — and from planned gifts made during his lifetime — have supported HLS fellowships focused on the practical aspects of lawyering, among other important activities.

In his will, Climenko — who was a lawyer in New York City for more than 60 years — wrote that the bequest was made “in gratitude for the outstanding preparation that Harvard Law School gave me for a lifelong career in the practice of law . . . a profession that I loved and in which I found deep satisfaction and fulfillment.”
Impact: broader career choices for students

Before his death in 1991, Nathan H. David '37 created a charitable remainder trust. The income from the trust benefited his widow, Violet, until she passed away in 1996. At that point, in accordance with the terms of the trust, two-thirds of the trust principal were used to create the “Nathan H. David Fund” at the School, and one-third was used to benefit another part of the University.

Through the School’s loan-forgiveness program, the endowed David Fund supports graduating students who are embarking upon public service careers — reflecting Nathan David’s own years of public service in the Federal Communications Commission and the Navy.

Impact: ideas for the future

One of the jewels in the School's research crown is the Berkman Center for Internet and Society, which since its founding in 1998 has achieved international recognition as a center for cutting-edge thinking about how technology intersects with law and society.

The seed funding for the Center was realized through a generous bequest from the estate of Jack N. Berkman '29 and his wife Lillian. Jack Berkman was a pioneer and highly successful entrepreneur in the communications industry, who (working with his son and grandsons) transformed a vision into a major enterprise. The Berkman bequest also created an endowed professorship, focused on entrepreneurial legal studies, in the names of Jack and Lillian Berkman.
For today and tomorrow: The Oliver Wendell Holmes Society

Planned gifts play a very special role in the life of Harvard Law School. They place the School on a stronger financial foundation, and help ensure that it can continue to provide the best legal education and research in the world.

In recognition of this fact, the School in 1994 created the Oliver Wendell Holmes Society. The Holmes Society recognizes those alumni and other friends who have either made a planned gift to the School, or who have included the School in their estate plans.

Once you establish a planned gift to Harvard Law School, you will be given the opportunity to be recognized publicly as a member of the Oliver Wendell Holmes Society. Those members who so choose are listed in Harvard Law School’s annual Report of Gifts. In addition, Holmes Society members are invited to special events annually.

In short, the Oliver Wendell Holmes Society enables the Law School to thank you now for your thoughtful planning and generosity. Today, the Society includes over 700 individuals who have made a very special investment in the School — a gift for today and tomorrow.
For more information

There are many different ways to structure a charitable gift to Harvard Law School. Your personal situation will determine which gift vehicle will help you to make a powerful impact.

Please review any planned gift options with your financial advisors and/or attorney to ensure that your gift will meet your philanthropic and financial goals. Your thoughtful planning will allow Harvard Law School to continue to uphold its commitment to excellence in legal education and research.

All life income and many other types of planned gifts made to Harvard Law School will also be recognized as gifts to Setting the Standard: The Harvard Law School Campaign. In addition, many of these planned gifts may be counted toward your class reunion gift effort, provided the gift is made within your reunion crediting cycle.

If you would like more personalized information about any of the enclosed gift vehicles, please contact:

Office of Planned Giving
617-495-9891
plannedgiving@alumni.law.harvard.edu
For more information

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