

Making a Difference

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Fall Reunion 2018: Friendship and Learning

It was our sincere pleasure to welcome back more than 400 alumni and friends to Harvard Law School on October 26-28, 2018, to celebrate Fall Reunion. It was a wonderful weekend of celebration, reconnection, debate, and dialogue.

Friday's programming featured opportunities for attendees to engage in important discussions and hear from distinguished speakers on such timely issues as tech law, corporate governance, and war algorithms. Lawrence Lessig, the Roy L. Furman Professor of Law and Leadership, gave a dynamic keynote address on the role of media in democracy, and John Manning '85, the Morgan and Helen Chu Dean and Professor of Law, moderated "HLS Thinks Big," which included four faculty presentations on animal law, plea bargaining, democratizing money, and veterans benefits. Following the day's presentations, the Class of 1968 celebrated their milestone 50th Reunion with a Champagne Reception. Later, alumni and guests enjoyed a fun-filled evening celebration and dinner.

Something in Common: Watch a video of Fall Reunion 2018, including interviews with some of your fellow alumni. Go to <https://bit.ly/2M5z3sr>

On Saturday, classmates reconnected again during their Class Symposia and class photo session in the morning, followed by a meeting with Dean Manning as he shared his vision for the Law School during "A Conversation with the Dean."

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Kenneth Orce '68 with his wife Helene Orce and Marty Budd '68 with his wife Aviva Budd '65 en route to their 50th Champagne Reception.



Lawrence Lessig, Roy L. Furman Professor of Law and Leadership, poses with Roy L. Furman '63.



Kenneth C. Frazier '78 receives the HLSA Award from Dean John Manning '85 and HLSA President Dan Eaton '89.



PHOTO: MARTHA STEWART

Classmates Nicole Kerno, Sondra Miller, and Ann Pfohl Kirby in front of the portrait of the Pioneer Class of 1953 in the Caspersen Room of the HLS Library.



PHOTO: MARTHA STEWART

HLSA Women's Alliance President, Dorothy Dewitt '94, mingles with Anne Weisberg '85, Christine Arguello '80, and Tia Schryver '07 at the Networking Breakfast.

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Alumni also enjoyed a Reunion Luncheon with friends and a keynote presentation by Kenneth C. Frazier '78, Chairman and CEO of Merck & Co., who received the HLSA Award.

Alumni attended sessions on topics for modern lawyers—including education reform and business and finance—as well as a special screening of PBS WNET *Pioneers: Reginald F. Lewis '68 and the Making of a Billion Dollar*

Celebration 65

Hundreds of alumnae gathered to celebrate the history and legacy of women at Harvard Law School this past September. Celebration 65, held September 14–16, commemorated the 65th anniversary of the first women graduates of HLS. More than 400 alumnae attended, including three women from the Class of 1953: Nicole Kerno LL.M. '53, Ann Pfohl Kirby '53, and Sondra Miller '53, three of 14 women in that pioneering class who made history as the first alumnae to graduate from Harvard Law School.

Through interactive panel discussions and workshops with alumnae leaders across generations, geographic locations, and industries, the C65 program focused on issues surrounding the advancement of women's leadership and the amplification of women's voices in a range of settings. The weekend also provided self-care and mindfulness strategies with a guided yoga practice. Networking receptions and a screening of *RBG* gave participants many opportunities to renew old acquaintances and forge new connections.

Attendees were able to choose from over 30 panels spanning the wide range of areas on which alumnae are having an impact—from by-law to the judiciary, from academia to the military, and from public interest to entrepreneurial settings. Additionally, there were two exciting plenary addresses: Professor Kimberlé Crenshaw '84 and Professor Dorothy Roberts '80 discussing “Why Intersectionality Matters Now” and the Honorable Mary Robinson '68 addressing “Women's Leadership in Challenging Times.”

Raising Our Voices: Watch the video of Celebration 65, including interviews with several HLS alumnae from around the world. Go to <https://bit.ly/2FtkxJF>

Empire, featuring opening remarks by Loida Nicolas Lewis and Q&A with classmates Carolyn Clark '68, Roger A. Lowenstein '68, and N. Robert Stoll '68. The evening was capped by joyous receptions and dinners with friends and classmates.

On Sunday morning, alumni were invited to a Celebration of Life Program to honor departed alumni, and the day ended with a Farewell Brunch at the Charles Hotel.

Your Philanthropic Legacy

Many of us want to leave a philanthropic legacy—concrete evidence of our values and the institutions we care about. The generosity of friends and supporters of Harvard Law School plays a vital role in our work. All gifts are important. All are valued. As you consider your charitable giving goals and priorities, please remember it would be our pleasure to work with you and your financial advisors to consider the many ways philanthropy can be used to meet your personal planning objectives. Please contact us if we can help you in any way.

A Right Fit

There are many options to examine when making a charitable gift and supporting Harvard Law School. Think critically about what you want to accomplish and plan a gift that is the right fit for you and your family.

Make a Gift that Provides Lifetime Income

A charitable gift annuity is a unique and meaningful way to impact Harvard Law School while providing supplementary income to you and others, if you include them. As you consider options for supporting our work, keep the following charitable gift annuity benefits in mind.

Give and receive: In exchange for your gift, Harvard Law School promises to pay a fixed lifetime income to whomever you designate as the income beneficiary. If two income beneficiaries are named (two is the maximum), the payment rate is lower but the lifetime payments continue as long as either income beneficiary lives. The minimum to establish a gift annuity at Harvard is \$25,000.

IMMEDIATE PAYMENT GIFT ANNUITY RATES

AGE	RATE	AGES	RATE
65	5.4%	65, 65	4.8%
70	6.0%	70, 70	5.3%
75	6.7%	75, 75	5.9%
80	7.7%	80, 80	6.5%
85	8.7%	85, 85	7.5%

Choose when payments begin: You can choose to begin lifetime payments immediately or defer income to a future date. Deferring payments also comes with an additional benefit—an increased payout rate for the lifetime of the income beneficiary.

A tax deduction: Your gift qualifies for an immediate tax deduction based on the amount we are expected to receive when the payout period ends.

Your gift need not be cash: Although many donors use cash, appreciated property such as stock can also be used to fund a gift annuity. There can be advantages to using appreciated stock rather than cash to establish a gift annuity, particularly with regard to capital gains tax that would otherwise be due in the tax year when the stock is sold. The options are worth exploring, and you can contact HLS Director of Planned Giving Charles Gordy at 617-496-9265 for more information.

Example: Madeline '74, age 70, makes a cash gift of \$50,000 to set up a gift annuity. Her annual payment amount, based on current rates, is \$3,000, which is a payment rate of 6%. If she itemizes her return, the gift qualifies for a charitable deduction of \$17,942.*

- If Madeline defers the start of her payments for five years, her annual payment amount will be \$4,250, which is a payment rate of 8.5%. The itemized deduction would be \$22,844.

Example: Steve '84, age 60, is planning for retirement at age 70 and wants to set aside some additional assets to provide income. If he makes a gift of \$50,000 and defers the payments for 10 years, his annual payment will be \$4,805, which is a payment rate of 9.7%. The itemized deduction would be \$18,323.

A Gift in Your Will or Trust

Many friends of Harvard Law School have found that giving through a will or testamentary trust is a highly effective way to help Harvard Law School and its mission.

Steps to take

The first step in planning your will or trust is to decide which gifts you will make during your lifetime and

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YOUR PHILANTHROPIC LEGACY continued from page 4

which will be made through your will or trust. In certain cases, lifetime gifts can carry out your objectives more effectively than a gift through your will or trust. Lifetime gifts also can minimize probate costs and estate taxes. Be sure to consult your advisors.

If you plan to leave a gift in your will or trust, the next step is preparing a detailed inventory of all your assets. Once you have identified your primary objectives and the assets that may be available to accomplish them, you can decide exactly how you want your estate distributed.

Should a gift be a specific dollar amount or a percentage of the value of your estate? Leaving a percentage of the value of your estate to your designated beneficiaries and Harvard Law School can sometimes be the best way to carry out your objectives because each beneficiary will share in increases or decreases in the value of your estate.

Which assets pass under your will or trust? Life insurance proceeds as well as IRA and retirement plan death benefits payable to designated beneficiaries generally will pass independently of your will or trust. And joint property with rights of survivorship automatically passes to the surviving owner. You will want to consider the best way to manage these assets in coordination with your estate planning advisors.

Flexibility matters

An important feature of wills and living trusts is their flexibility. Throughout your lifetime, if you need to make changes or adjustments, you can. This means that your assets always remain available to you to meet current needs.

USE A WILL OR TRUST TO PERPETUATE YOUR ANNUAL GIFT

Suppose your annual gift to Harvard Law School is \$10,000. A bequest to us of \$200,000 can be placed in one of our endowed funds. If the fund distributes 5% each year, your testamentary gift provides annual gifts of \$10,000 in perpetuity. A bequest, when endowed, can have a significant impact on funding our important programs. Ask about the many endowment opportunities available and explore how you can create a meaningful legacy through a well-planned charitable gift.

Recommended Language

When including Harvard Law School in your will or trust, we recommend you use the following language:

I give (____ dollars/ ___ percentage/ 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.

Appreciated Stock Gifts: Value for You and for Harvard Law School

A gift of stock provides added value to donors and helpful, timely support for us. In addition to making a significant impact on our work, a carefully planned gift of stock can:

- avoid capital gains taxes on the contributed stock
- generate a significant income tax charitable deduction for those who itemize
- provide a tax-wise way to meet philanthropic goals

Here is how it works. Suppose Emma wants to make a \$20,000 gift to Harvard Law School. She is considering whether to write a check for \$20,000 or give us stock currently valued at \$20,000 that she purchased for \$10,000 several years ago.

With either gift option, Emma is eligible for an income tax charitable deduction of \$20,000 on her federal income tax return (subject to some limitations). However, if she gives the stock, she also avoids paying capital gains tax and the net investment income tax on the \$10,000 of appreciation. In her tax bracket, if Emma sold the stock, she would pay a capital gains tax of 15% and a net investment income tax of 3.8%—a tax bill of \$1,880 ($\$10,000 \times 15\% + \$10,000 \times 3.8\%$). If Emma gives us the stock, the full \$20,000 supports our work and she deducts the full \$20,000 on her federal income tax return even though the \$10,000 gain has never been taxed. By contributing appreciated stock and being in the 35% tax bracket, the deduction and avoidance of the capital gains and net investment income tax reduces her tax bill by \$8,880 versus \$7,000 if she had contributed cash.

Note: To avoid the capital gains tax on a gift of appreciated stock, the stock must be transferred directly to us. If you sell the stock and then make a gift of cash, you still pay capital gains tax on the appreciation. Contact us for more information.

A Destiny Reimagined

“Nothing is more powerful than an institution like Harvard Law School that allows you to reimagine your destiny.”

—Cameron MacDougall '01

Managing Director of Fortress Investment Group and General Counsel for Fortress Private Equity, Cameron MacDougall's first introduction to law and business was at 11 years old as he negotiated the price of his waterbed with a stranger in his hometown of Spokane, Washington.

His parents had put him in charge of the family yard sale, and everything had to go. The customer wanted to pay \$14 for the waterbed, but MacDougall was asking \$18.

“I was haggling because I needed the extra \$4,” he says. “So I was going to stand my ground and try to get it. There's nothing like necessity and a dire circumstance to teach you how to negotiate.”

MacDougall's parents (his dad was also a lawyer) owned a small real estate business in Spokane that took a catastrophic hit in the early 1980s when interest rates skyrocketed. Their business went bankrupt and MacDougall's family lost everything.

He sold the waterbed for \$17, as well as the rest of his family's belongings.

“We moved into a small town called Celina, Texas, and my brother and I lived in an apartment with no furniture. I had missed too much school by that point, so the Texas school system wouldn't let me into ninth grade. We had nowhere else to go, so we went to live on the oil field with my dad.” Every day, the family hoped that today would be the day the well hit oil. Since his father owned a 2% interest in the well, that was all they needed to flip their financial fortune.

Then one day, a miracle happened. The well hit oil, 9,600 barrels a day, according to MacDougall. They rejoiced at their good luck. But the owner of the well thought he could tap more oil if he capped the well and drilled a different way.

“He did that, despite us begging him not to,” says MacDougall, “and we lost the well. So all of this change of fortune didn't work out. In fact, we were in worse shape than before—now we really had



Cameron MacDougall '01

nothing. Meanwhile, the oil field became a dangerous environment. We feared for our lives because many of the people who worked there threatened to kill us if they didn't get paid.”

MacDougall, his brother, and his father all jumped into his brother's green 1978 Volkswagen Rabbit, with pleather seats, and took off for Seattle with the shirts on their backs. By then it was the early

1990s and interest rates had dropped again. When they reached Seattle, MacDougall's parents began rebuilding their business and MacDougall was able to talk his way back into school. “I was 14 years old and I decided that I was going to find a way to be successful,” he remembers. “I was a very serious student and had to work full time to help the family make ends meet. I washed dishes and worked as a line cook at a place called Cousin's for four years and was fortunate enough to get accepted to Yale for my undergraduate studies.”

A history major at Yale University, MacDougall was just as measured and studious as he had been in high school. His preparedness and unflappable work ethic, in part, helped lead the way to his enrollment at Harvard Law School, where, in 2001, he earned his JD. After graduation, he worked as an associate at Cravath, Swaine, and Moore. But eventually he started to seek out more business-focused opportunities.

When most people hear MacDougall talk about his childhood, they are stunned. Humble and kind, wearing an elegant suit and serving as a trusted managing director and general counsel of a large investment firm in New York City, MacDougall explains, “That's why Harvard Law School means so much to me. You sleep on a floor for a few years, and having the opportunity to walk into a business with a Harvard Law School degree—it matters. Nothing is more powerful than an institution like Harvard Law School that allows you to reimagine your destiny.”

Your generous philanthropy supports financial aid at Harvard Law School, ensuring access for the best and brightest students and future HLS alumni.

Tax Law Reminders

Tax law affects donors in significant ways, as we have seen most recently under the *Tax Cuts and Jobs Act* of 2017. Some of the notable considerations that continue to impact planning in 2019:

- The increased standard deduction reduced the number of taxpayers who will itemize their returns. Nonetheless, those who itemize still enjoy the benefits of deductible charitable contributions.
- Gifts of retirement assets (including charitable distributions from an IRA for those age 70½ or older) and life-income gifts (charitable gift annuities and charitable remainder trusts) remain particularly attractive charitable giving options.
- The 3.8% net investment income tax remains in effect, which means strategic charitable giving continues to be important for many taxpayers.
- Reduced corporate income tax rates remain in effect.
- The amount of charitable contributions made in cash that can be deducted in any particular year is 60% of adjusted gross income (compared to 50% prior to the 2017 Tax Act). This is particularly helpful for donors making a large, legacy-shaping gift.

A Gift from Your IRA:

An Important Option after the 2017 Tax Law

The tax law passed in December 2017 did not change the gift option that allows you to make a qualified charitable distribution from your IRA directly to Harvard Law School. If you are an IRA owner age 70½ or older, this option allows you to use your IRA to make annual gifts that count toward your required minimum distribution. Although there is no tax deduction for the gift, **you avoid all income tax on the distribution, regardless of whether or not you itemize.**

To make a tax-free charitable distribution from your IRA:

- You must be 70½ or older.
- You must instruct your IRA custodian to make a distribution *directly* to Harvard Law School. (*We can provide transfer instructions for your gift—just contact us.*)

Up to \$100,000 of your gift qualifies for this favorable tax treatment, and your gift makes an immediate impact. Keep in mind that there is no need to wait until the end of the year to make this type of gift from your IRA.

For more information about the HLS programs or initiatives discussed in this newsletter, please visit the HLS website at: <http://www.law.harvard.edu>.

For more information about Planned Giving, contact Charles Gordy, Director of Planned Giving.

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From left to right: Stephanie Phillipps '76, Sula Fiszman '84, Linda Chatman Thomsen '79, Kathleen Sullivan '81, Lindsay Harrison '03 and Dale Cendali '84 standing together before their session titled "Women Leaders in Big Law" at HLS's Celebration 65.