Creating a Legacy

Winston Churchill once said, “We make a living by what we get; we make a life by what we give.” From our earliest days as a nation, Americans have demonstrated a remarkable spirit of generosity. Each year Americans give more than any other country in the world.

Philanthropy has built remarkable educational institutions, cured deadly diseases and continues to fund research and facilities dedicated to our health. Our generosity also funds religious, environmental and social efforts from sea to shining sea. Yet, the vast majority of Americans are not able to give as much as they would like.

The truth is that while many are limited by the realities of a day-to-day budget, a little careful planning today makes it possible for almost anyone to do more in the future to help those you love including family, friends and charity.

The most frequent gifts made in a will or trust include:

• A Fixed Bequest:
  This is the gift of a fixed dollar amount to a family member, friend, or charity.

• A Specified Percentage:
  Many people divide their estate by percentages, leaving a specific percentage such as 10% or 20% to be divided among a named list.

• A Gift of a Specific Asset:
  On some occasions, gifts of a parcel of real estate or a block of stock help fulfill a desired objective to give to family, friends or charity.

• A Residual Gift:
  Specific bequests are often given to family members and the remainder of the estate is divided equally among a variety of charitable causes.

• Gift in Trust:
  There are a number of appropriate ways to leave a gift in trust. For example, a trust can provide a surviving family with income for life with the remainder going to charity after the death of the survivor. Alternatively, a trust may provide income to charity for a prescribed number of years with the remainder ultimately going to a family member.

Winston Churchill left us with a legacy for life that has brought enormous benefit to future generations. For more information on how you can leave a lasting legacy, please contact our gift planning office or return the enclosed response card.
Dear Savvy Senior,
Can you give me some advice on how to choose a financial planner? My wife and I need some financial advice on what we need to do to prepare for our retirement. What can you tell me?
- Financially Inept

Dear Inept,
Financial planning has become a hot industry in the United States. But with all the different financial advisors and services available today – how do you choose a trusted professional who can meet your needs? Here are some suggestions to consider.

Choosing a Planner
A good place to start looking for a savvy financial advisor is with those who hold the title “certified financial planner” or CFP. To earn the title, CFPs must take a wide range of personal finance courses, sit for a two-day exam, practice for at least three years after taking the exam, and keep up with their education. They’re taught to look at the “big picture” view of your finances – talking you through your goals, as well as advising on the details of your financial life.

When looking for a CFP, be prepared to find an alphabet soup of other titles and designations such as certified senior specialist (CSS), retirement plans associate (RPA), certified retirement counselor (CRC), certified senior advisor (CSA) and many others. In fact, there are more than 60 different certified-this or registered-that designations that provide various financial services. Be alert, however, that some certifications require no more than a few one-hour courses at a seminar or online, which means they’re not worth much. If you’re considering a financial planner with various certifications, be sure they are also a CFP. To get a listing of the different certification designations and their prerequisites, visit the National Association of Securities Dealers’ Web site at www.nasd.com. When you get there, click on Investor Information, then Professional Designations.

Fee-Only
You’re probably better off hiring a CFP who is a “fee-only” planner, versus one who earns a commission by selling you financial products. Fee-only planners charge only for their services – for example you might pay $100 to $200 an hour for a financial tune-up, a flat fee per project, or an annual retainer or 1 percent of assets for money management. Also note that some planners call themselves “fee-based” or “fee-offset,” which means they charge both fees and commissions. You’re better off with planners who sell no products at all. Here are some resources to help you find a fee-only CFP:

• The National Association of Personal Financial Advisors: Offers a fee-only membership directory of over 1,000 planners. To find a local member, visit www.napfa.org or call 800-366-2732.

• Certified Financial Planner Board of Standards: Offers a na-
How to Make a Simple
IRA Rollover Gift
The simple steps to making a charitable gift with your IRA

Since Congress passed the Pension Protection Act in late 2006, Americans age 70½ and older can make cash gifts from their IRAs directly to charities without paying Federal income tax on the distribution. Although there is no charitable deduction for the gift, the transfer qualifies for the IRA owner’s required minimum distribution which could lead to a substantial reduction in taxable income.

An increasing number of retirees are making gifts from their IRAs to take advantage of this opportunity. By working closely with your financial planner, IRA custodian and charity, you too can make an IRA gift that is effective for you and your tax planning.

To make a tax-free distribution, you must direct your custodian to make a distribution from the IRA directly to charity, and you must not take possession of the distribution, not even for a moment. Keep in mind the following tips for charitable IRA gifts in 2009:

Individuals can give up to $100,000 from individual IRAs. Married couples can give up to $100,000 each.

Gifts may be made from an IRA account. Other plans may be rolled over into an IRA for gift purposes.

IRA gifts must be made to public charities and not to private foundations, donor advised funds or supporting organizations.

IRA gifts cannot be used to fund a life income plan such as a gift annuity or charitable remainder trust.

The donor must be 70½ on the date of the gift to make the gift and have it count toward the donor’s required minimum distribution (RMD).

To learn more about making gifts from your IRA, please complete and return the response card in the enclosed return envelope.

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tional directory of its more than 50,000 CFP professionals. To search for a CFP in your area visit www.cfp.net or call 888-237-6275. Once you locate a few planners, you’ll need to call them to find out how they charge.

Savvy Tips: When searching for a CFP, look for one with at least five or six years of experience. Some other areas you’ll want to check into are their professional background, education, what kind of client they typically work with, how they charge and how much, and their disciplinary history. For resources and tools to help you research a CFP visit www.cfp.net or call 888-237-6275 and ask for the free “Financial Planning Resource Kit.” And, if you’re in the market for investment advice, be sure to hire a CFP that is also an RIA (registered investment advisor). To research investment advisors or firms, visit www.sec.gov and click on “Check Out Brokers & Advisors.” If you’re researching a stockbroker see www.nasdbrokercheck.com or call 800-289-9999.

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University of Alaska Anchorage alumna Heather Flynn chose a planned gift as the means of “paying back” her Alma Mater for the education she received. Flynn, who received her M.Ed. from UAA in 1988, has devoted much of her life to public service, public administration, and volunteerism in the Anchorage Community. Her unconventional career path includes terms on the Anchorage School Board and the Anchorage Assembly as well as management of non-profits and of a college foundation. She credits much of her success and satisfaction in these endeavors to the education she received at UAA. It was only natural then, when Heather began planning for her retirement and started to review her estate plans, that she decided that providing for UAA and other charities in her will was the best way to continue her philanthropic connections to the non-profits and causes she supported for all those years. “I believe it’s my job to give back,” said Heather. “I’m fortunate and am financially stable, and UAA has helped with that. It is very satisfying to be able to repay the University in some measure for what it has given to me and many others in the Anchorage community.”

If you are interested in joining the Legacy Society by providing for the University of Alaska through your will or estate plan, or if you wish to learn more about bequests or IRA gifts, please contact the University of Alaska Foundation at the address below. If you have already provided for the University of Alaska in your will or estate plan, please let us know so we can thank you.