Giving and Receiving

There’s no better way to give and receive than to make a gift to charity at this time of year.

As we unwrap gifts and wrap up another year, this is the time when we think most of others. The familiar saying reminds us it is “better to give than to receive,” and in our opinion, it is better. The good news is there are ways to give and receive. As the year winds to a close, take time to make sure you have given to yourself by giving to others.

Remember, the remaining weeks of the year give you a final opportunity to balance your income and giving for the 2010 tax year. When you give a gift to a qualified nonprofit organization, you receive an income tax deduction for that donation. Even if your income is less this year than it was last year, you may still want to offset your income with a tax deductible contribution.

One of the best gifts you can give yourself and your family is an up-to-date estate plan. There are few things in life we can do so easily that make such a big difference. Having a clear, well thought out estate plan is one of them. The cornerstone of such a plan is the will. If you have not written your will or if it has not been reviewed in some time, the year end is a good time to do this.

Just check and return the enclosed response card and we will send you our brochure, “How to Make A Will that Works.” Visit the UA Foundation website or call us at 907-450-8030 for more information.

Visit Our Web Site! www.alaska.edu/foundation/

Discover helpful estate planning information to assist you in creating a plan that is right for you. Access our up-to-date gift planning information. Visit our Planned Giving page and sign-up for our eNewsletter. While there, find valuable information including:

Gift Planning Stories - Actual stories of donors who received tax benefits by making charitable gifts.
Personal Web Presentations - Web presentation that shows the income and tax benefits of setting up a gift plan personalized using your assets and property values.

Sign-up Now to Receive Our Free eNewsletter
The Inspired Desire to Retire Higher

Retirement is not what it used to be. Gone are the days of gold watches when retirement meant endless days of shuffleboard and green benches in the park. Now retirement means tennis lessons, European travel and adventure cruises. You can plan today to make all this possible tomorrow.

It is a continuation of what we are already doing. The best way to plan for retirement is not to consider it a far off event, but rather something we can do here and now to make our lives better there and then.

Fund a deferred gift annuity. Like an “immediate” gift annuity, a deferred gift annuity will give you an income tax deduction, capital gains benefits, and dependable, fixed payments for life. However, with a deferred gift annuity, you choose the start date. It could be one year from now, or ten, or forty. The longer the delay (or deferral period), the higher your payment rate will be and the higher your income tax deduction will be, too.

Which of the following will not change in the next five years?

- a). The economy
- b). Real estate prices
- c). Gasoline prices
- d). Your charitable gift annuity

Answer: d). Your charitable gift annuity.

While the economy, real estate and gasoline prices are all guaranteed to change, you can count on your gift annuity not changing for as long as you live!

Want to test a deferred gift annuity?

Try a $25,000 gift annuity this year and defer it for 10 years.

If you like it, fund another one next year for $25,000 and defer it 10 years.

That way not only can you test the water a little at a time, but you can also look forward to a stream of payments that will increase the next year.

To learn more about a Charitable Gift Annuity, check and return the enclosed response card.
**Year End Planning for IRA’s**

- **In 2010 Roth IRA Conversions became more attractive for incomes over $100,000**
  Conversions from a traditional IRA to a Roth IRA became more attractive in 2010 because the income limits on conversion were eliminated.

  **Roth Conversion Tax Considerations**

  You may be taxed at ordinary income levels on your Roth conversion since your traditional IRA was funded with pre-tax dollars. You may elect to pay the tax in 2010 when you make the conversion or you may spread out the taxes on the conversion over the next two tax years or you can make a charitable gift in 2010 to offset the tax.

  Check and return the enclosed response card to learn more about IRA conversions and the gift opportunities for your IRA.

  Prior to 2010, if you made more than $100,000, you couldn’t convert to a Roth. For the remainder of 2010 those limits are gone.

  While you still can’t contribute to a Roth in 2010 if your income exceeds $114,000 or $166,000 (if you are filing jointly), you can make a conversion. The possibility of future tax-free withdrawals makes the 2010 IRA conversions attractive.

- **IRA “Rollover” Gifts Are Still Possible for the Remainder of 2010**

  If you are over age 70½, the Federal government permits you to rollover up to $100,000 from your IRA to charity without increasing your taxable income or paying any additional tax. These tax-free rollover gifts could be $1,000, $10,000 or any amount up to $100,000 this year.

- **Plan for IRA Gifts in 2011 and Beyond**

  While you have the opportunity to give through your IRA now, there are other options available for making future gifts of your IRA assets to charity:

  **Bequest of IRA** - You may designate a charity as the beneficiary of your IRA. This allows you to continue to take withdrawals from your IRA during life and then leave the remaining value of your IRA to charity.

  **Testamentary IRA Gift Annuity** – Another option is to make a future gift of your IRA to charity while providing life income to your heirs. Your family will receive fixed payments based upon age at rates that can be as high as 9 percent.


**Legacy Story**

**Saradell Ard**

*Bequest Provides Permanent Funding For Arts Scholarship*

Throughout her life UAA Professor Emeritus Saradell Ard was a strong supporter of the arts community in Anchorage.

For the past twenty-five years she made annual gifts to the Foundation to provide scholarships each year to two students majoring in the arts; one to a BFA candidate and the second for a student taking up art as a second career. Two generations of students benefitted from Dr. Ard’s years of philanthropy and she took a great deal of pride and satisfaction in seeing her scholarships’ recipients go on to successful careers within and outside Alaska.

When Saradell Ard passed away last December she made sure her support for arts students at UAA would not stop because she would not be around to continue her scholarship gifts. She added a simple bequest to her will that provided a sizeable gift from her estate to the University of Alaska Foundation to establish a perpetual endowment in her name. The endowment is invested with the Foundation’s Pooled Endowment Fund, which is currently more than $180 Million in size. Each year the earnings from the endowment are distributed to UAA to continue both Saradell Ard Art Scholarships.

Saradell Ard is recognized as a member of the University of Alaska Legacy Society for her foresight and her name lives on through the students who receive her scholarships each year. To learn more about making such a gift contact the UA Foundation.

---

*Portrait of Dr. Saradell Ard by Joe Nedland, a former student of Dr. Ard.*

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 planned charitable 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.

Scott Taylor, Gift Planning Manager
910 Yukon Drive, Suite 206
PO Box 755080
Fairbanks, Alaska 99775-5080

University of Alaska Foundation
Phone 907-450-8030
Facsimile 907-450-8031
E-mail sdfnd@alaska.edu