Certainty in an Uncertain World

Today more than ever, Americans want reliability, certainty and accountability. We are all looking for something stable, solid and firm. For many of us, it means a return to classic values and enduring ideals. One of these values is the charitable gift annuity (CGA). It is an authentic and original standard to which many people are returning.

Lately, the stock market has been characterized by fits and spurts. CD rates are also at disappointing lows. This doesn’t mean the news is all bad. A new frugality has swept the nation. We are re-discovering old friends and making new ones based on shared values. Whether you are new to gift annuities or have known them for awhile, it’s time to think about striking up a relationship with a gift annuity. It is one friend who will always be there for you no matter what else may come your way.

The charitable gift annuity offers payment rates as high as 9.5%. The payment rate to which you agree is the one you receive for life. You also receive an income tax deduction this year for part of the funding amount. Plus, there are extra benefits if you fund your CGA by transferring stock instead of selling it. After a lifetime of payments to you, all remaining funds are used to support the University of Alaska.

Simply check the appropriate box on the enclosed response card and return it to us, or call or e-mail us and we’ll provide you with more information about how CGA’s work. As America returns to its roots, you can benefit by turning to the charitable gift annuity.
CHARITABLE GIFT ANNUITY

Serve yourself while helping others

There are few things in life we can do for ourselves that also benefit others. A charitable gift annuity (CGA) is one.

A CGA is a simple contract between you and us, where you agree to donate a sum of money to the UA Foundation. In return, we agree to pay you a fixed percentage of that amount every year for as long as you live.

Funding a CGA is simple.
• Write a check
• Use a credit card
• Transfer stock

We can provide you a detailed illustration showing:
• Your personal payment rate
• Your income tax deduction for this year
• Your capital gains tax savings

When funding a CGA, you have some important decisions to make. Do you want the payments to go to you, or to you and someone else such as your spouse? The payment rate is different for two people yet remains very attractive. In addition, the payments continue for as long as either of you live. You can also fund a CGA as a gift for someone else! Just remember, there may be gift tax implications if you do. Be sure to ask us about this possibility.

Once a charitable gift annuity is funded, you will receive payments every year, or you can specify a period of every three months. Either way, the payment schedule is up to you. The payments continue at the fixed annual amount for life. The payment rate is based upon the funding amount and never changes.

Three Simple Steps to a Gift Annuity
• Ask for a no-obligation illustration
• Agree to a funding amount and sign contract
• Receive payments for life.

If you are interested in learning more about charitable gift annuities, simply check the appropriate box on the enclosed response card and return it to us and we’ll send you a brochure with more information about CGAs. Or, if you would like a detailed illustration of how a CGA can work in your specific case, including your payment rate and income tax deduction, call or e-mail us at the address on the back of this newsletter.

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.
Will Planning

Overcoming Your Fears Can Be The Hardest Part of Creating Your Will

Many people are intimidated by the prospect of creating a will, but they shouldn’t be. Preparing a will is as simple as writing a letter. The most complicated part of preparing a will is simply taking the first step – deciding to do it.

You should use an attorney when creating or revising your will. Most attorneys charge relatively little for this service. Once completed, your will can benefit your family, friends and the charitable causes that are important to you.

Some states have very specific will requirements. Miss one of these requirements and the will may be invalid. If you hire an attorney who regularly drafts wills, he or she can help you with all of these basic requirements and also suggest new ideas to make things even easier.

To learn more about creating or updating your will, check and return the enclosed response card to receive a free booklet, “How to Make a Will that Works.” If you need assistance in locating an estate planning attorney, call or write to us and we’ll help point you in the right direction.

The Charitable IRA Roll-Over is Back!

The 2010 Tax Bill passed in December has brought back this popular giving mechanism. It allows a donor to transfer all or part of his or her IRA directly to a charity and not have to pay income taxes on the transfer. Previously, donors making such gifts had to declare the amount transferred as income to themselves. While the subsequent gift to charity often resulted in an offsetting charitable deduction, the increase in income often had negative implications for a donor’s social security payments or may have placed them into a higher income tax bracket.

Under the new law, effective through the end of calendar year 2011, donors may again make such transfers and not only avoid paying income taxes but may also count the transfer as part of their required minimum distribution (RMD).

To qualify for the tax benefits of such a gift the donor must be at least 70½ at the time of the transfer and the amount must be less than $100,000 for all such transfers in any tax year. The funds must be transferred directly from the IRA to the charity by the IRA trustee, and nothing may be provided to the donor in exchange for the transfer.

To learn more about making IRA Rollover gifts, check and return the enclosed response card, call or e-mail the Foundation at the address in this newsletter, or consult with your tax accountant.
LEGACY STORY

Anonymous Charitable Gift Annuity Makes Beautiful Music

Some of the best gifts can be made by donors who wish to remain anonymous. Two years ago, for example, the University of Alaska Anchorage received a $7 Million gift from a donor who did not want their name disclosed. Planned Gifts such as bequests and Charitable Gift Annuities (such as those featured in this newsletter) can be made anonymously as well.

Here is what one recent anonymous donor who established a Charitable Gift Annuity to benefit the Music Department at UAF just last year said:

“I first worked for the University in an administrative position in 1964 and while there I did a little investing. One of the stocks I purchased made considerable gains, so I decided on a Charitable Gift Annuity to the UA Foundation.

Although I am not a musician, I have appreciated the music at the University, particularly the Symphony and the music at the Fairbanks Summer Arts Festival, which is housed at the University every summer. Also, I have seen how young children have benefitted academically and in life from learning music. The late Leslie Salisbury was a friend, and upon consultation with the UA Foundation, I discovered the endowment already established in her name was not very large, so I decided to add my donation to it for student scholarships.

In these days of very low bank interest rates, the annuity is bringing in a 6% annual payment to me and providing me with a tax deduction. I have no more concern that the stock may lose value, as I no longer own it, but I am assured of that 6% annuity until I die.”

To learn more about how you can establish a Charitable Gift Annuity at the Foundation, anonymously or not, check the appropriate box on the enclosed response card and return it to us, or call or write to us.

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.

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