When lifetime Juneau resident Verna Carrigan passed away in July of 1992 the University of Alaska Southeast learned that she had provided for a generous gift to that institution from the remainder of her estate. Mrs. Carrigan’s trust provided for both support of the Egan Library at UAS and for an endowment to provide scholarships to UAS students. As an endowment, Mrs. Carrigan’s gift will generate funds for annual Carrigan Scholarships in perpetuity.

Estate Gift Brings Lasting Student Support

The very first Carrigan scholar was selected and awarded the scholarship in 1993. Since that time more than 240 students at UAS have received the scholarships.

Mrs. Carrigan’s trust specified that students from the Juneau Douglas area be the preferred recipients of the annual awards. Mrs. Carrigan’s foresight in establishing the endowment through her estate has strengthened the ties between UAS and its surrounding community as well. It has also allowed generations of students to complete their college educations, an opportunity they might not have had without her generosity.

Every year the UA Foundation is notified of gifts that donors have made through their estates. The University of Alaska Legacy Society recognizes these generous people. Such gifts are the most common method of planned giving since they are made after the donor has passed away and the funds are no longer needed. In addition they are very easy to make, necessitating only the addition of simple language to an individual’s existing will or trust by the donor’s attorney.

To learn more about how you can provide for a lasting gift to the university through your own estate plan as Mrs. Carrigan did, please contact your local Development Office, call us, visit our website, or check and return the enclosed response card and receive our free wills booklet.
We all want security for the future, which is why we are told to plan for retirement. Most of us hold retirement savings in assets such as IRAs, 401(k)s, 403(b)s and pensions. If you are like many people, you’ve held these assets for a long time and have seen them grow.

Because of the way these funds are distributed, you likely will not use all of your retirement money during your lifetime. So, the question for many individuals is, “What will I do with my unspent retirement savings?”

If you are like most people, you will designate family members as beneficiaries of your retirement accounts. The problem with doing this is that most of your savings will never go to your loved ones.

In order to illustrate what can happen, assume Alex has a large estate and a qualified retirement plan totaling $1,000,000 at death. Unaware of the tax consequences, he has willed this asset directly to his children.

What is often overlooked is the tax consequences that may occur in a situation like this. It is clear that retirement planning incentives have been designed to create funds for retirement, but not designed to create funds for inheritance.

As Illustration 1, below, shows, an IRA to children may result in as little as 30% of the funds reaching the children. However, just as our tax laws encourage retirement planning, they also contain attractive benefits when charitable organizations are on the receiving end of qualified retirement plans.

For those with charitable intent, it is often attractive to consider a bequest of either a portion or all of the funds in a qualified retirement plan to charity.

Illustration 2 shows the benefits of funding your intended charitable bequest with your qualified plan. The funds bypass the otherwise applicable taxes. As part of an overall estate plan, a good strategy is to specify that assets qualifying for a “step-up” in basis at death to be transferred to children and retirement fund assets make up the intended charitable bequest.

To learn more about making gifts from your IRA, check and return the enclosed response card.
Do You Have a Plan for the Future?

If you haven’t thought about planning for the future or if you have been procrastinating, there is no better time than now to get started.

Planning is important because we want to protect and provide for our loved ones after we are gone.

Take advantage of a great resource to help you in your planning. Our website, http://alaska.giftlegacy.com, includes a number of valuable tools including wills videos, the Online Wills Planner, and a downloadable guide to planning your will or trust.

We also offer an excellent booklet that answers many of the questions you may have about planning for family members’ care or any of your health and financial issues.

We would be happy to provide you with a free copy of *Provide & Protect* upon request. It’s a booklet packed with tips to help you plan a meaningful future.

To get your copy of *Provide & Protect* just check and return the enclosed response card.

IMPORTANT TAX NEWS

THE IRA ROLLOVER IS HERE!

As part of the fiscal cliff law, Congress reauthorized the IRA rollover for 2013. This means that If you are 70½ or older you can make a charitable gift of up to $100,000 from your IRA. Your gift will qualify for your 2013 required minimum distribution and you will not have to pay federal income tax on the amount given from your IRA to charity.

Check and return the enclosed response card to learn more about how you can use some of your unneeded IRA dollars to support our important work in 2013.

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 up-to-date gift planning information. Visit the 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.
- **Create Your Plan** - Web calculators that show the income and tax benefits of setting up a gift plan, personalized using your assets and property values.
HAVE YOU CONSIDERED INCLUDING UNIVERSITY OF ALASKA IN YOUR ESTATE PLAN?

The gifts we receive each year from individual estates help to make scholarships and faculty research at the University of Alaska possible. We hope you will consider including us in your will or estate plan. If you have already done so, please let us know using the enclosed response card so we can recognize you as a Legacy Society member.

EASY WAYS TO CREATE INCOME FOR YOURSELF AND SAVE ON TAXES

A charitable gift annuity funded with your low performing stock or CDs can provide you with a charitable tax deduction and income for life. The payments are based on your age at the time of funding and are fixed. This means that you will receive the same amount every year for as long as you live. And a portion of your income could be tax free!

A gift annuity also provides you with an income tax deduction for part of the funding amount. If you fund it with an appreciated asset like stock, you can avoid paying capital gains tax on the sale of your asset.

With a little more planning, you may want to consider a charitable remainder trust. When you transfer your assets to the trust, you can receive income for life and a charitable tax deduction. A trust is more flexible than a gift annuity. You can choose multiple beneficiaries. There is also potential for your income to grow with growth in the trust assets.

We can answer your questions about how a gift annuity or trust could work for you. Please check and return the enclosed response card for more details on these charitable plans. We would be happy to show you an illustration of the benefits tailored to meet your needs and goals.

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. 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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