

# SPIRIT *of* SHARING

GIFT AND TAX STRATEGIES FOR FRIENDS OF TEXAS A&M



SPRING 2011

## Plan for Tomorrow Today

Creating an estate and gift plan can achieve a lasting impact. People who create an estate plan are usually amazed at how easily it can be completed.



Sally Edwards

On average, Americans work 40 years to accumulate assets and spend 10 years conserving what was earned. Then they don't spend any time planning for the distribution of those assets. If you take

time to create an estate plan, you can distribute your assets to loved ones and organizations as you wish. The basic document in any such plan is a will (some plans also include a trust).

Don't be intimidated by the prospect of creating a will. It's about as simple as writing a letter. A well-written will tells the world what is important to you. It affirms your hopes and protects loved ones and cherished causes.

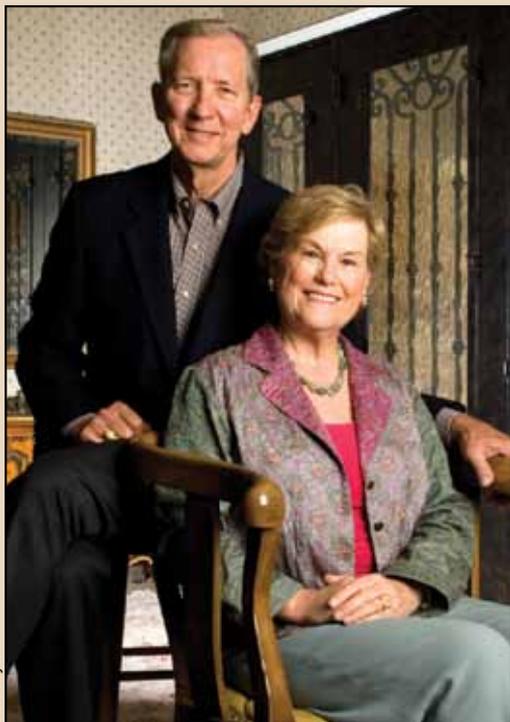
The most complicated part of preparing a will is taking the first step: deciding to do it.

Talk with your family and advisers about your priorities and what passions, ideals and good works you want to continue beyond your lifetime. This is a great opportunity to let your family and favorite causes know how much they mean to you.

Then see your attorney, who will write your will to ensure your plans are carried out.

*Our FREE book, Provide and Protect—offered on page 5—can help you plan. ★*

## Giving Can Be Painless



Dan Bryant

*"There's such a joy that comes from knowing there will be students who will get an education because of our gifts."*

*—Ed Moerbe '61*

*(He and his wife, Carolyn, have bequests that establish an endowed scholarship fund.)*

Often when we make a gift to a friend, relative or special cause, we have to give something up. When we shop, we must pay for our purchase. When we treat someone at a restaurant, we must pay the bill.

***But you can make a big difference at Texas A&M University without a financial sacrifice.***

Some of the university's most generous supporters are those who include a provision to the Texas A&M Foundation in their estate plans; a will is key to these plans. With a few simple words in your will, you can make a planned gift that will have far-reaching results.

If you would like to include a gift for Texas A&M in your will, the Foundation can help. While only a few words are needed, they must be the correct words so your gift will be used exactly as you wish. Foundation gift planning officers can assist you and your attorney as you develop your will.

If you have included the Foundation in your estate plan or will be doing so, please call the Office of Gift Planning at (800) 392-3310 to inform us. Anyone who makes a planned gift for Texas A&M is eligible for Heritage Membership in the A&M Legacy Society. Members are invited to special events, and we thank members—if they wish—by displaying their names at Foundation headquarters in the Jon L. Hagler Center. ★

## How to Reap the Greatest Benefit From the New IRA Rollover Law

Charitably minded taxpayers age 70½ and older have attractive giving options in 2011. These taxpayers may directly transfer as much as \$100,000 per



person from their Individual Retirement Accounts (IRAs) to the Texas A&M Foundation for a gift that benefits Texas A&M University—and the distribution will not be treated as taxable income.

To be eligible to support Texas A&M in this way—and without triggering income taxes—you must satisfy certain conditions. You must be at least 70½ years old when you make the rollover, and the funds must come in a direct transfer from your IRA custodian to the Texas A&M Foundation.

This “direct transfer” restriction prohibits you from receiving a check payable to you from your IRA and giving that to the Foundation; it also prohibits you from transferring the funds to a checking account and then writing a check to the Foundation. Both of these actions would cause you to incur income taxes.

One of the best aspects of the new tax law is that it gives you time to plan your 2011 gifts carefully. Following are some pointers to contemplate.

- **If you already make maximum deductible charitable contributions:** There is an overall limit (essentially equal

to 50 percent of your adjusted gross income) on how much you can deduct in any year.

Because an IRA rollover to a qualified nonprofit organization is not counted as taxable income, it effectively transforms a gift into an additional deduction beyond the usual limit for those who already make maximum contributions.

- **If you do not file an itemized income-tax return:** A direct transfer of IRA funds to the Texas A&M Foundation is not included in your taxable income, so an IRA rollover is a smart strategy.

**Special bonus:** Qualifying transfers can count against your required minimum distribution. All taxpayers age 70½ and older are legally required to withdraw a specified minimum amount each year, and the new law allows an IRA charitable rollover to be considered part—or all—of the required minimum distribution, which reduces taxable income for the year. ★

**What's your game plan?**



# We're Here to Help

- I would like to receive the free estate-planning book *Provide & Protect*.
- Please send me more information about how I can create a lasting legacy at Texas A&M.
- I am considering an Individual Retirement Account (IRA) charitable rollover. Please send me more information.
- I have not previously informed you, but I have included the Texas A&M Foundation in my estate plan and would like to become a Heritage Member.

*Fold here and fasten with adhesive strip before mailing.*

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Name (please print) \_\_\_\_\_

Address \_\_\_\_\_

City, State, ZIP \_\_\_\_\_

Telephone (area code & number) \_\_\_\_\_

E-mail address \_\_\_\_\_

Comments/special requests: \_\_\_\_\_

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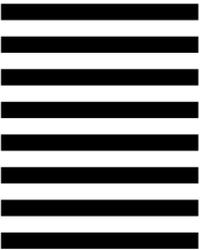
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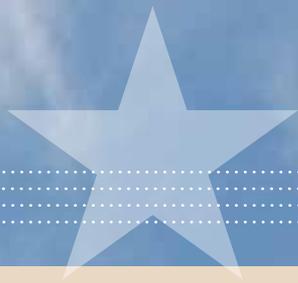
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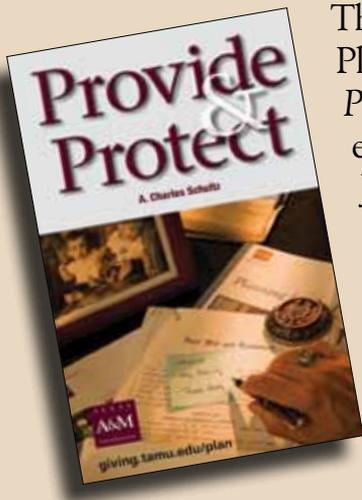
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TEXAS A&M FOUNDATION  
1234 TAMU  
COLLEGE STATION, TX 77843-9988**



**SPIRIT AND MIND®**



## Free Book Provides Estate-Planning Tips



The Texas A&M Foundation Office of Gift Planning is pleased to offer you a **free book**, *Provide & Protect*, written by well-known estate-planning expert Charles Schultz J.D. In his 276-page book, Schultz walks readers through important topics such as:

- Should I have a will or a trust?
- Who is the ideal guardian for my children?
- How can I preserve assets for loved ones?

The Office of Gift Planning will mail this informative estate-planning tool to all who request it. Do so by returning your completed reply card (attached to this newsletter), by sending an e-mail to [a-throne@tamu.edu](mailto:a-throne@tamu.edu) or by calling the Office of Gift Planning at (800) 392-3310.

We will send you *Provide & Protect* along with a complimentary *Wills Planner Guide*. You also may set up a free Wills Planner account online at [giving.tamu.edu/plan](http://giving.tamu.edu/plan); click on the headline “Plan Your Will” and follow instructions.



To discuss how a planned gift to the Texas A&M Foundation might benefit you, your family and Texas A&M University, please contact Glenn Pittsford '72 in the Office of Gift Planning at [g-pittsford@tamu.edu](mailto:g-pittsford@tamu.edu) or (800) 392-3310. We will describe how such plans work and provide personalized illustrations. ★

# Planned Gifts Send a Message

Gifts made through bequests, life insurance policies, charitable gift annuities and many other plans tell others what is important to you and create your legacy. Read inside to learn how you can support Texas A&M University with a planned gift.

- Request *Provide & Protect*, a FREE book of estate-planning tips.
- Contact the Office of Gift Planning to learn about gifts that help you, your family and A&M.
- The new IRA rollover law may benefit you ... and A&M.
- Planned gifts let you give tomorrow without sacrificing today.
- Estate plans let you do good works after your lifetime.

Information in *Spirit of Sharing* is not intended as legal or tax advice. This publication's purpose is to provide general information. *Spirit of Sharing* is published by the Texas A&M Foundation, which manages major gifts and endowments for the benefit of Texas A&M University academics and student leadership.



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