

# SPIRIT *of* SHARING

GIFT AND TAX STRATEGIES FOR FRIENDS OF TEXAS A&M



FALL 2011

## How to Meet Your Financial Needs and Still Benefit Texas A&M

Angela and Byron Maxwell '47 of Boerne faced a quandary shared by many Aggies: They wanted to support Texas A&M University but wanted their assets to help family, too. Their solution was to set up a testamentary charitable remainder unitrust through their wills.

The beauty of testamentary unitrusts is that they provide income after your lifetime for one or more beneficiaries such as a surviving spouse, minor or disabled children and adult children.

The Maxwells structured their unitrust to supply payments to their two daughters and four grandchildren. Later it will endow the Byron and Angela Maxwell Scholarship Fund, which will provide 10 or more annual scholarships to members of A&M's Corps of Cadets in perpetuity.

When a unitrust is established, the payout is set as a percentage—usually 5 to 7 percent—of the net fair-market value of the trust assets based on an annual assessment of the unitrust's value. As a result, payment amounts will vary. At the end of the trust, the remaining assets pass to a charitable organization such as the Texas A&M Foundation.

Here's an example: A 6 percent testamentary charitable remainder unitrust valued at \$100,000 its first year will pay out \$6,000. If the trust assets are valued at \$108,000 in its second year, the payout will be \$6,480.

How do you establish a testamentary charitable remainder unitrust? Your attorney can counsel you about the most advantageous plan. Your Texas A&M Foundation gift planner can provide

*continued on Page 2*



Simon Hodges

*Angela and Byron Maxwell '47 will help their family and A&M through a testamentary charitable remainder unitrust.*



## How to Meet Your Financial Needs ... *(continued from front)*

illustrations and information to you and your attorney as you build your plan. Provisions for your testamentary charitable remainder unitrust will be contained in your will or revocable living trust and must specify:

- Property to be placed in the trust
- Term of the trust (a period of years or the lifetime of the beneficiaries)
- The unitrust payout percentage and frequency of payments (annually, quarterly or monthly)
- Beneficiaries of the trust
- Provisions for the eventual distribution of the trust principal, or “remainder,” to one or more charitable organizations.

You may fund a testamentary charitable remainder unitrust with assets such as retirement accounts, securities or real estate. The testamentary unitrust provides a charitable estate tax deduction.

“The amazing thing about this plan,” Byron Maxwell said, “is that our children and our grandchildren may receive more than they would have had we given them all of our assets at our deaths.

Also, our Corps scholarship fund may receive more than it would have had we allocated all of the trust assets to the scholarship fund at our deaths.

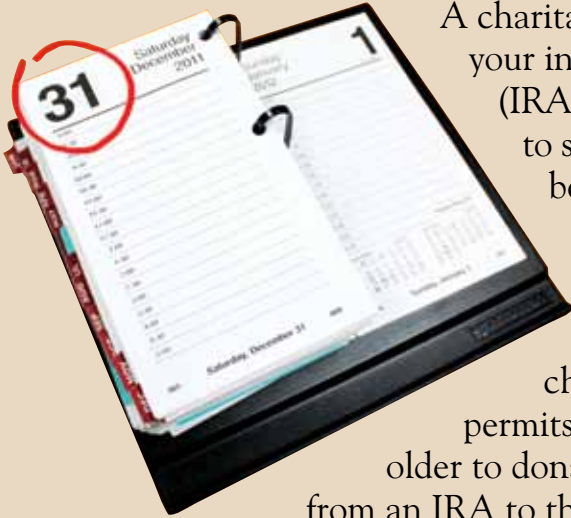
“This seems almost too good to be true, but as my friends at the Texas A&M Foundation like to say, ‘This is the gift that gives twice—to family and to Texas A&M.’ ” ★



Linda Hawes

*The Maxwells will fund 10 permanent scholarships for cadets.*

# IRA Rollovers May Reduce Taxes



A charitable rollover distribution from your individual retirement account (IRA) offers a window of opportunity to support Texas A&M University before Dec. 31, 2011—and avoid federal income tax in the process.

How does it work? An IRA charitable rollover distribution permits a taxpayer age 70½ years or older to donate up to \$100,000 directly from an IRA to the Texas A&M Foundation, or any public charity, without paying any federal income tax. Before this law existed, a gift to charity from your IRA was considered a taxable distribution.

These charitable rollovers count toward your required minimum IRA distribution. To reduce your income tax in 2011, you can transfer some or all of your required distribution to the Foundation for the benefit of Texas A&M students and programs.

Because the funds you give away are never taxed as income, your gift does not qualify as a charitable income tax deduction. Through your generosity, Texas A&M benefits from funds you might not otherwise use.

At the end of 2011, the IRA rollover advantages are due to expire. Visit [giving.tamu.edu/rollover](http://giving.tamu.edu/rollover) or call the Foundation Office of Gift Planning at (800) 392-3310 to learn more about this opportunity. ★

## New Heritage Members

The Texas A&M Foundation is happy to welcome many new Heritage Members to the A&M Legacy Society. The following individuals made their first planned gifts to the Foundation during the fiscal year ending June 30, 2011.\*

Melba & Bob Arnold '69  
Barbara Ann & Dionel Avilès '53  
Betty & Joel R. Barton Jr. '38  
F. Gordon & Jan Boyle  
Dr. Alfred F. Brem  
Jennifer E. Burgin '96  
Virginia H. & Wayne R. Dean '54  
Joe Ann & Nelson M. Duller Jr. '48  
Brian Paul Ehni '74  
Janie & Gordon Flack '51  
Margaret A. & Robert J. Fugitt '70  
Rosella L. Garcia '00  
Rubiana L. Garcia '03  
Mario Jr. '85 & Sandra Garza  
Charlotte & Zay Gilbreath '62  
Gary '81 & Tena '79 Gray  
Tracy '95 & David Hackenbruch  
Gen. Joe G. Hanover '40  
Anne '84 & Mark Holubec '85  
James H. Johnson '86  
Brian C. Joyce '82  
Rosetta & Arthur B. Lane '69  
Lanell Mabry  
Luther L. Marshall Jr. '43  
Mark A. Martinets '85

Dr. James M. & Pat McCloy  
William J. McClusky Jr. '81  
Paula & Gary R. Moore '74  
Dr. Carl M. Percy '55  
Shirley B. &  
    Dr. Daniel C. Pfannstiel '49  
Dr. Mary Rose Pihlak  
Edna & Art Pinson '58  
Wm. Keith Przybyla  
Charles & Pacita Rogers  
Ann Sanders  
William A. Seeker '60 '69  
Dr. John & Mary Lou Shaddock  
Kay Steele Smith &  
    Stephen B. Smith '79  
Jim '83 & Amy '83 Stolarski  
Carol N. &  
    Lawrence E. Sullivan '76  
David '72 & Renae '74 Thompson  
Mopsie & Bob Thornborrow  
Frances Brannen Vick  
Cathy L. Ward in memory of  
    Ralph Ward Jr. '73  
John H. Ward '70  
H. D. "Thump" Witcher Jr. '73

\*To notify the Texas A&M Foundation that you have established a planned gift, please call (800) 392-3310.

# We're Here to Help

- I would like to receive the free *Methods of Giving* brochure, which describes ways to give to Texas A&M and the tax advantages for doing so.
- I am considering an individual retirement account (IRA) charitable rollover. Please send me more information.
- I would like a personalized example of a testamentary charitable unitrust.
- 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) \_\_\_\_\_

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

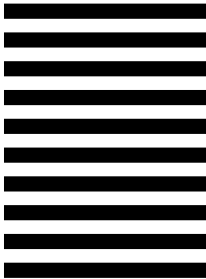
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*All information is confidential.*



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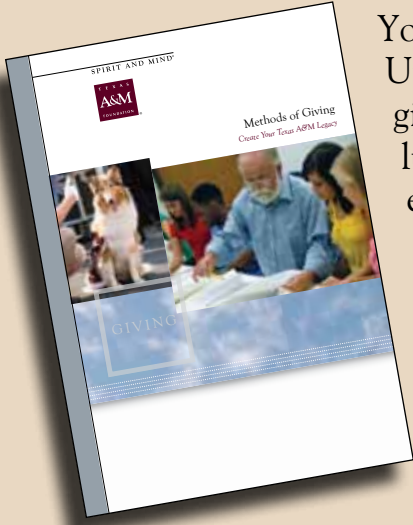
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# A Free Guide to A&M Giving



You can support Texas A&M University through many types of gifts, and most don't even require a lump-sum check. Pledges, gifts of real estate and after-lifetime gifts are a few of the ways you can create your gift to benefit Texas A&M.

To inform you about the various types of gifts you may make for A&M, the Texas A&M Foundation offers its free *Methods of Giving* brochure. This new

24-page publication lists and describes the many ways you can structure and fund your gift.

The Office of Gift Planning will mail *Methods of Giving* to all who request it. Please ask for your copy by returning your completed reply card (attached to this newsletter), by emailing [a-throne@tamu.edu](mailto:a-throne@tamu.edu) or by calling the Office of Gift Planning at (800) 392-3310. You can also learn more about planned gifts at [giving.tamu.edu/plan](http://giving.tamu.edu/plan).

**Your gift. Your way. Your Texas A&M. ★**



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

# Learn the Benefits of Planned Gifts

Many people are surprised to learn that they can support A&M without writing a check—and that many of these noncash and/or deferred gifts provide income tax advantages. Read inside to:

- Find out more about testamentary charitable remainder unitrusts and why they were the perfect planned gift for one couple's Corps scholarships.
- Learn how you can help Texas A&M through an individual retirement account charitable rollover distribution before the tax advantages expire Dec. 31, 2011. If you're 70½ or older, this may be a great way to benefit Texas A&M.
- Discover the many assets and gift plans you can use to fund gifts for Texas A&M. Request our *FREE Methods of Giving* brochure to see which one is best for you.

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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