

focus on the future

A PLANNED GIVING PUBLICATION FOR **NEW HAMPSHIRE PUBLIC TELEVISION** • SPRING 2009

An Enduring Plan for Philanthropy

by Patricia M. McGrath



In my work as an estate planning attorney, I meet with individuals, couples, and families who want to make

plans to ensure that their loved ones will be secure in the future. Many times, people tell me they feel limited in planning for their philanthropic goals because an “estate plan” can only mean providing for children and future generations. One thing I tell everyone with whom I work is, “You can do whatever you want.” Families are pleasantly surprised to find out they can include gifts to their favorite charity, such as New Hampshire Public Television, in their estate

plan in tandem with their other planning goals. You are completely in charge of orchestrating the timing and amount of your philanthropic gifts.

Because we are living in such challenging economic times, now is a good time to review your current estate plan, or to implement a plan if you have not yet done so. In particular, you should confirm that your estate plan is internally consistent. Even the most elegant estate plan can be derailed if its pieces do not fit together.

A complete estate plan includes several documents, all of which work together to clarify your wishes, to minimize the involvement of the probate court and to minimize, or even eliminate, estate and gift taxes. Each of these documents should

be reviewed on a regular basis to ensure that they are consistent with your intentions and comply with current laws. Let me describe two of the most frequently employed estate planning documents:

A **will** is the document in which you name someone to administer your estate and how and to whom your assets will be distributed after you pass away. Most charitable gifts through wills are made by bequest. Additionally, guardians for your minor children are named in your will.

A **revocable living trust** allows your survivors to avoid the probate process, which can be costly and time-consuming. Creating a revocable trust can ensure that your assets will be used for the benefit of your children, charities, or other beneficiaries and that your assets

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- Send for our complimentary booklet, *Planning Your Will for All It's Worth*.

Extend the Reach of Your Generosity Far into the Future

Few things bring more joy to philanthropic people than making meaningful contributions to their favorite charitable organizations. All of us can relate to the satisfaction that comes from seeing our support make a difference for causes important to us.

Many of our friends have discovered the added pleasure of knowing they can continue to support our mission beyond their lifetimes. **How?** They have arranged their affairs to make gifts to New Hampshire Public Television at the end of their lives.

5 Benefits of the Popular, Versatile Charitable Gift by Will

You may choose to do what literally millions of people have done: make a charitable bequest in your will. Gifts we receive through wills help ensure that New Hampshire Public Television will stay strong and move forward in the future.

There are many benefits to making a charitable bequest:

1. You can be sure your assets ultimately go to support causes important to you. Without your specific direction, none of your assets will pass to New Hampshire Public Television or any other charity. Children or other heirs may decide to use some of what they receive to make charitable gifts in

your honor and memory—but that is beyond the direct control you can exercise with a charitable bequest.

2. Leave a legacy. Even if your annual budget provides for gifts to New Hampshire Public Television, it may seem out of reach to make the size of gift you would like during your lifetime. Many of us need access to all of our assets or the income they generate. At the end of your life, though, all those assets will be available to distribute according to your wishes—as set out in your will.

A gift through your will can be the ideal way to realize your larger charitable objective. And you can designate how you want us to use your gift. You may want to fund a

special capital project, community engagement initiative, or an endowment that will continue to provide support to NHPTV in perpetuity.

3. Do you mean I could continue my current level of annual support? Yes, and here's an example of how others have accomplished this.

Example: Gene and Donna are generous supporters of New Hampshire Public Television. Each year they make an unrestricted gift of \$50,000 to underwrite some of our general operations, freeing up budget dollars for other purposes.

They decide to make a gift that will make it possible for this level of support to continue. Estimating



Your support of NHPTV provides an outstanding selection of performing arts programs, including a captivating performance by soprano Renée Fleming in *Great Performances'* "Massenet's Manon."

that an endowment will generate approximately 5% in distributions each year, Gene and Donna designate \$1,000,000 to New Hampshire Public Television to set up an endowment that will provide continued support at the level they had been giving.

An endowment can be set up to support virtually any exempt purpose of New Hampshire Public Television. The minimum amount required to fund an endowment is \$25,000. We welcome the opportunity to talk with you about how you can create an endowment to address your own specific purposes.

4. You may realize federal and state inheritance tax benefits.

While federal estate tax can claim 45% of a decedent's taxable estate above a certain threshold amount—\$3.5 million for 2009—a charitable bequest can shield from this tax the amount passing to New Hampshire Public Television and may reduce state inheritance tax as well.

5. You can change your mind.

Your will can and should be a dynamic document.

You would ideally review your will anytime there is a significant change in life circumstances. For instance, if the extent of your assets increases, you may decide you want to do more for certain beneficiaries. Or if one of your children becomes significantly more or less financially secure, you may decide to modify the division of assets among all the children. As long as you are competent you retain the power to amend or eliminate any provision in your will.

4 Reasons More People Are Establishing a Living Trust

An increasing number of Americans are creating revocable living trusts as a tool to manage their affairs during their lifetimes and to provide for the final distribution of their estates' assets. A revocable trust can be an extremely versatile instrument and you may find it appealing for many reasons, including:

1. You retain control of your assets. You can keep the right—as trust owner or grantor—to add or remove assets from it at any time.



Our forefathers had a plan for the future of our national natural treasures. Ken Burns tells that story in his new documentary, *The National Parks: America's Best Idea* ... coming in September.

2. Professional management of assets. You can turn the management of your trust assets over to the professional fiduciary of your choice—or you can serve as trustee and hire a fiduciary for management services.

3. Continuity of management in the event of disability. If you become unable to manage your own affairs, a professional fiduciary trustee or a successor trustee can step in and handle those tasks for you.

4. Assets in a revocable living trust typically avoid probate. A revocable living trust generally becomes irrevocable when you pass, and your assets are distributed according to the trust's terms. Assets transferred in this manner will not be subject to probate—a factor that can both expedite the settlement of your affairs and reduce costs.

You should consult your attorney about the applicability to your own situation of the legal principles contained herein.

Protect Your Potential Beneficiaries: Don't Let Estate Size Threaten Their Inheritance

There are many ways to structure a bequest to New Hampshire Public Television. For instance, you can designate a specific asset or a specific dollar amount. Many of our friends find it is prudent to make a gift of a certain percentage of their estates.

Why? By making a gift of a percentage of your assets, you can guard against inadvertently diminishing provisions for other beneficiaries—and you can allow your gift to grow proportionally if your assets grow.

are not distributed directly to your children at too early an age or before they have developed adequate money management skills. Certain types of revocable trusts can also permit married couples with significant wealth to minimize or eliminate federal estate tax. A revocable trust enables you to create the platform to integrate future plans for your family along with your philanthropic goals.

This year promises to be one of significant changes. A review of your current estate plan or the creation of an estate plan now may result in significant tax benefits and ensure that your future wishes will be carried out.

Patricia M. McGrath works with NHPTV on Planned Giving activities and is a shareholder at Devine, Millimet & Branch, P.A., where she concentrates her practice in the areas of Trusts & Estates and Employee Benefits. You can contact Pat at (603) 695-8537 or pmcgrath@devinemillimet.com.

Receive Income from a Gift Annuity

The oldest and most popular gift arrangement is the charitable gift annuity, which provides the donor—or one or two beneficiaries—payments for life, based on a fixed percentage of the amount of the gift.

The chart on the right shows the rates New Hampshire Public Television is currently paying donors at selected ages. The rate in effect when you acquire the annuity will not change—it is guaranteed for life.

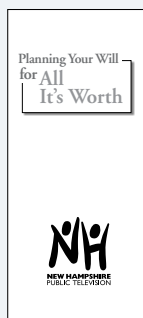
In addition to excellent rates, you receive a deduction in the year you fund the annuity, and each year—for the duration of your life expectancy—a portion of each payment you receive is tax-free. These tax benefits effectively increase your yield.

\$10,000 GIFT ANNUITY					
Age(s)	Rate	"Income"	Tax-Free	Deduction	
One Annuitant**					
60	5.0%	\$500	\$326	\$2,151	
65	5.3%	\$530	\$360	\$2,843	
70	5.7%	\$570	\$406	\$3,544	
75	6.3%	\$630	\$470	\$4,170	
80	7.1%	\$710	\$551	\$4,818	
85	8.1%	\$810	\$663	\$5,487	

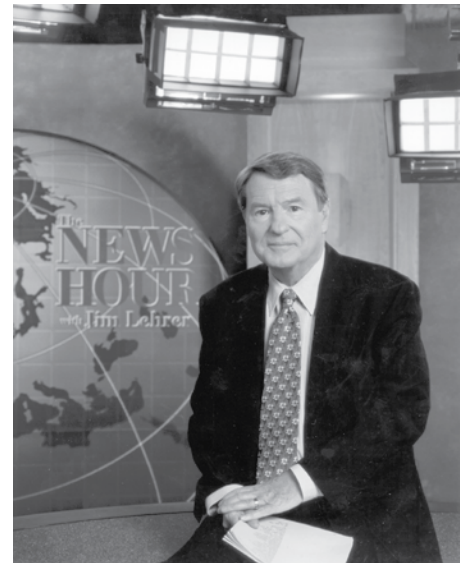
Calculations are based on quarterly payments and a discount rate of 2.4%.
**Call to request rates for two annuitants.

We Are Here to Help

As you contemplate estate gifts to New Hampshire Public Television, we would like you to have a complimentary copy of our booklet, *Planning Your Will for All It's Worth*.



Please return the enclosed reply card to get your copy or to schedule a consultation with a member of our staff.



Join Jim Lehrer, host of *The NewsHour*, as NHPTV celebrates its 50th anniversary at the Wentworth by the Sea Hotel, New Castle, N.H., on Friday, June 12, 2009.

Contact Me to Learn More



Shelley Mitchell, M.B.A.
Director of Major and
Planned Giving
NHPTV
268 Mast Road
Durham, NH 03824-9987
(603) 868-4397
(603) 868-7552 fax
smitchell@nhptv.org
www.nhptv.org/plannedgiving

