

focus on the future

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

Celebrating Our Past, Building Our Future



Peter A. Frid

This year New Hampshire Public Television is celebrating its 50th anniversary. What a year it has been! We have gone from analog to digital broadcasting, launched a new channel, hosted a gala event with Jim Lehrer, and held a wonderful staff and volunteer reunion here at the Broadcast Center. I have been quite moved in speaking to so many of NHPTV's friends and supporters

during this time. Personal stories of how NHPTV has touched your lives through the generations are very meaningful to our staff team and me. Thank you for sharing such rewarding tributes and testimonials.

Turning 50 also turns one's thoughts and plans toward the future. I hope you agree that the next 50 years for NHPTV rests in our collective hands. That is why I want to ask you to be a part of our future by making NHPTV part of your legacy. That can easily be done by including NHPTV in your will or a bequest. Establishing a charitable lead trust or charitable remainder trust is another option. Charitable gift annuities are also a popular way to plan for the future.

From our Board of Directors to our staff, we are continually inspired by our donors' desires to give back to

their community through NHPTV. Your expressions of loyalty are making a difference. Planned giving offers you the ability to continue your philanthropic generosity and support for the next 50 years at NHPTV. In addition, you will have the personal satisfaction of making a gift that continues to give back to our communities while setting an example for friends and family. There is a philanthropist in all of us, and I hope you will become one in support of NHPTV's next 50 years. Thank you for helping build our future!

With warm regards,



Peter A. Frid

President & CEO

New Hampshire Public Television



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- Four Opportunities to Make the Economy Work for You Right Now
- Send for our complimentary handbook, [Creating Your Legacy in Uncertain Financial Times: A Philanthropist's Guide to Federal Taxes in '09](#).

Four Opportunities to Make the Economy Work for You Right Now

1 Take Advantage of a Special IRA Opportunity Set to Expire This Year

Charitably minded IRA owners have a new opportunity to use some of their IRA funds to make charitable gifts without historic pitfalls because of special legislation passed in 2006. **This opportunity has been extended until December 31, 2009.**

If you are 70½ at the time you make your gift to us, you can transfer up to \$100,000 from an IRA directly to NHPTV this year without those funds being treated as a taxable distribution to you. **Bonus:** A gift from your IRA will reduce the minimum distribution you will be required to take from your IRA in the future.

While IRAs are a substantial source of assets for many people and historically have been a logical source from which to fund charitable gifts, there were potential negative tax consequences for doing so. **Reason:** Amounts withdrawn from IRAs were treated as taxable distributions to the account owner in all cases. These negative tax consequences will resume in 2010! These income tax effects apply to traditional, not Roth, IRAs.

Act now to take advantage of this opportunity to make a tax-free transfer. It is especially beneficial if:

- You do not itemize deductions.
- Your total giving exceeds the maximum deductible percentage of adjusted gross income allowed for 2009.
- Your state law does not provide for a charitable deduction.

2 Take the Guesswork Out of Retirement Income

One of the biggest concerns for many Americans has been the effect of the economic downturn on their retirement-fund investments. Retirement-plan fluctuations have made it more difficult than ever to predict exact levels of retirement income.

Some of our friends are combining charitable planning with retirement planning, a creative strategy that allows them to fulfill important philanthropic goals and lock in retirement income down to the penny—all while enjoying major tax benefits.

Here is how it works: You transfer assets to NHPTV now, and we guarantee to pay you a specified amount each year on a date you choose. By *deferring payments*, the donor receives a significantly larger deduction than is possible with a gift annuity that begins paying currently *and* also receives an increased annuity amount. **Your future income is guaranteed regardless of what happens in the market.**

Example: A longtime supporter of NHPTV, Tom, age 55, wants his



Jim Lehrer of the *PBS NewsHour* (left), with NHPTV donors Jan and Dave Loring, at NHPTV's 50th anniversary gala in June.

giving to have a major impact on our mission and transfers \$200,000 to us now in exchange for annual income at 8% each year, which will begin when he retires at the age of 65. Upon Tom's passing, funds from his gift will be available for a special project he wants to support.

This plan—called a deferred charitable gift annuity—will continue to pay \$16,000 per year for as long as Tom lives, and \$7,312 of his “income” will be tax-free for the balance of his life expectancy. Tom takes a deduction this year of \$54,542, saving him more than \$19,090 in his 35% tax bracket.

An alternative to low-rate CDs. We also offer immediate-payment gift annuities for the life of one or two annuitants—many of our friends find their rates an attractive alternative to the low rates currently available on CDs and other traditional income-producing investments.

How might a gift annuity fit into your plans? The chart below shows the rates we currently offer at various representative ages.

3

Get In on the Ground Floor of the Recovery

Because of the swift decline in the market, it is difficult for many investors to find a good place to jump out of the market. Many are reluctant to sell now, not wanting to miss a potential recovery.

Others may want additional income but are reticent to cash in at what they consider the bottom, tying the income they do get to current low stock values. If you have substantial charitable goals, there is a way to create that source of income right now and still benefit from a future recovery.

You can transfer assets to a special kind of trust—a charitable remainder unitrust (CRUT)—that will pay you a fixed percentage of its value as it changes annually. If the value of the trust's investments goes up, your income will go up. You can establish this to make payments for your life or for any period of time you choose, up to 20 years, and it generates a significant tax



Including Samuel is a N.H. documentary about one family's efforts to include a child with a disability in every aspect of life.

deduction. At the end of the trust term, assets remaining in the trust pass to NHPTV.

Example: Dan and Elizabeth, both 68, have been major supporters of our work for many years. They have seen the value of their stocks drop precipitously over the last year and know that if they sell some and put the proceeds in traditional income-producing investments, they will effectively lock in their losses and not benefit from future recovery.

Instead, they decide to put \$500,000 of their portfolio in a CRUT that will pay 5% of its value each year as long as either one of them lives. They will get 5% (\$25,000) in the first year of the trust. The amount in future years will depend on the trust's investment results.

If the trust achieves an average of 8% total return, their income will go up annually and could eventually exceed \$46,000.

Immediate-Payment Gift Annuity Rates

ONE LIFE		TWO LIVES	
Age	Rate	Ages	Rate
55	4.8%	55-55	4.1%
60	5.0%	60-60	4.6%
65	5.3%	65-65	4.9%
70	5.7%	70-70	5.2%
75	6.3%	75-75	5.6%
80	7.1%	80-80	6.1%
85	8.1%	85-85	7.0%
90	9.5%	90-90	8.3%

What's more, Dan and Elizabeth can take a deduction of more than \$194,000, saving them more than \$68,000 in federal income tax. If the trust achieves an 8% total return, there will be almost \$1 million—\$958,052—to create their gift.

4 Cash In on the Gift Tax "Sale"

The right to pass substantial amounts of your property on to others—such as children—typically comes with a price tag: federal gift or estate taxes. But low stock and real estate values and low interest rates have combined to put these taxes on "sale" for those who have significant charitable goals.

How can that be? You create a special fund that will make your gifts to NHPTV for as long as you choose and then distribute the remaining amount to the persons you designate. The value of your gifts to us will be subtracted from the total you put in the fund, and only the balance will be subject to gift or estate tax.

Right now is the best time ever to create this kind of fund. **Why?**

- Current low asset values mean less is potentially subject to tax.
- Record low interest rates produce high values for charitable gifts from the fund and low values for the taxable amounts eventually passing to beneficiaries.

Example: Phyllis intends to make gifts of \$60,000 each year to NHPTV. Even though the value of her portfolio has declined sharply, Phyllis is still concerned about the

federal tax on the substantial assets she hopes to transfer to her children.

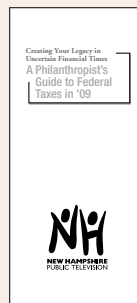
Phyllis decides to use \$1 million of her portfolio to create a special fund that will make her annual gift to us for 20 years—and then distribute the remaining assets equally to her children. Because of the low discount rate, only \$73,430 is treated as a taxable gift.

Regardless of how much her fund grows, only that \$73,430 will ever be subject to federal estate or gift tax. If the trust generates a total annual return of 8%, Phyllis's children will ultimately divide more than \$1,855,000—all free of any additional tax.

These special funds—known as charitable lead trusts—can be powerful planning tools. Various types of charitable lead trusts meet different planning objectives. We welcome the chance to talk with you and your advisors as you plan.

Is Opportunity Waiting for You?

Please return the enclosed card to receive a complimentary copy of our handbook, *Creating Your Legacy in Uncertain Financial Times: A Philanthropist's Guide to Federal Taxes in '09*, or feel free to contact our office to request a copy of the booklet or to discuss your situation with Shelley Mitchell.



The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law, as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney for applicability to your own situation.

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Gwen Ifill, of *Washington Week* and the *PBS NewsHour*, will be the special guest at NHPTV's Women of Influence Luncheon event November 5 at the Bedford Village Inn.

Contact Me to Learn More



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CELEBRATING



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