

focus on the future

A PLANNED GIVING PUBLICATION FOR **NEW HAMPSHIRE PUBLIC TELEVISION** • SPRING 2007



Peter Frid

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Defining Tomorrow

Tomorrow comes sooner than we expect. When I look back on my 10 years at New Hampshire Public Television, I wonder where the time has gone. In 2009, NHPTV will celebrate its 50th anniversary. You have witnessed our growth as a public television station and community member, and you can be part of our strength in the future. NHPTV engages minds, connects communities, and celebrates New Hampshire.

This new publication will focus on NHPTV's endeavors and how you can support them. You'll learn how you can help shape the future for yourself and for NHPTV. As you focus on what's meaningful in your life—family, good health, friends, and community—we hope that New Hampshire Public Television is among those organizations that you recognize as adding value to your life.

As a loyal contributor, your commitment to the station is greatly appreciated. It is also essential to the financial well-being of an important community resource: New Hampshire Public Television. It is our hope that the ideas presented in *Focus* will enlighten you as to ways you can define tomorrow.

As our beloved Mister Rogers said, "...[It's] one of the things that connects us as neighbors—in our own way, each one of us is a giver and a receiver."

Peter A. Frid
CEO and General Manager

Planned Giving: *An American Tradition*

To preserve the memory of a loved one, to express gratitude for a service well-performed, to demonstrate deep-felt humanitarian concerns, to support a tradition of excellence in education—these are some of the reasons thousands of people each year contribute their time, money, and talent to America’s charitable organizations. Indeed, private philanthropy is the foundation of every charitable endeavor.

Considering today’s economy and the increased complexity of our nation’s tax structure, it is more important than ever to plan your charitable gifts carefully. The need for planning is twofold: one, to ensure that your gift will be put to the best possible use and, two, to ensure that the gift fits your financial needs and objectives.

Planning a gift to New Hampshire Public Television (NHPTV) can be an exciting and rewarding experience. The process involves asking yourself a number of questions.

- What are my personal and financial needs?
- What assets do I have available for funding my gift?
- What is the best way to make my gift and fulfill both my family and charitable objectives?

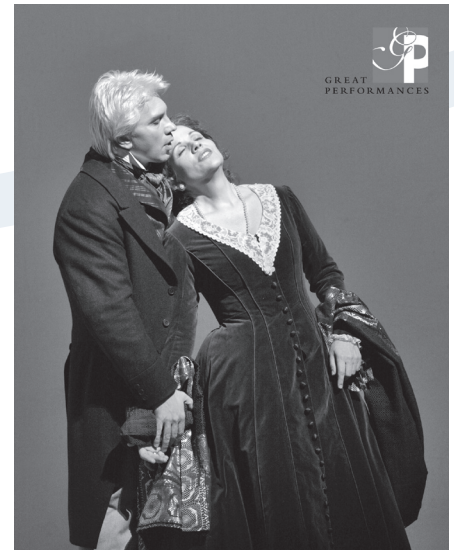
As you review your assets and explore the different ways to give, we would welcome the opportunity to assist you and your advisors with information about planned gift opportunities.

Types of Gifts: Assets

In addition to your overall personal tax and income situation, the type of asset you give and the way you transfer it to NHPTV will determine the tax and financial benefits resulting from your gift; certain kinds of gifts may be more advantageous than others from these standpoints. It pays to plan your gift in order to secure maximum benefits. You should always consult with your tax advisor when you are considering making a charitable gift.

Cash

A gift of cash is the simplest and most direct way to contribute to charity. You may designate your gift for a specific purpose, or you may choose to leave your gift undesignated to be used in the area of greatest need.



A scene from *Eugene Onegin*, a Great Performances at the Met opera, featuring Renee Fleming.

The out-of-pocket cost of a cash gift is less than the dollar amount of the gift because of the charitable income tax deduction.

For each dollar that you give to NHPTV, you can deduct that amount from your income in a given year. As a result, the income tax you would otherwise owe will be directly reduced. This tax benefit may be limited, depending on the total amount of charitable gifts you make in a given year.

Appreciated Securities

An alternative to a gift of cash deserving careful consideration is a gift of appreciated securities that you have owned for more than one year. You receive greater tax benefits than if you sold the securities yourself because you avoid capital gains taxation.

Tangible Personal Property

Antiques, rare books, prized collections, and works of art are some examples of personal property contributed to charity. As long as the property you donate to us is related to the purpose of NHPTV, you may deduct its full fair-market value.



Granite State Challenge will celebrate its 25th year of weekly matches of high school teams going head-to-head in NHPTV's televised quiz competition.

Real Estate

A personal residence, a farm, a vacation home, and commercial and rental property are often the subject of gifts. Like gifts of long-term, appreciated securities, gifts of real estate can be very attractive because of the potential double tax benefit—an immediate charitable deduction and the avoidance of capital gains tax that you may otherwise owe if you sold the property outright.

However, family considerations may not permit the making of an *outright gift* of your personal residence or farm. Instead, you may want to consider a gift to us of a *remainder interest* in such property. Even though you will retain the right to possess and enjoy the property for as long as you (and your spouse) live, you'll obtain a current charitable income tax deduction for the present value of your remainder interest.

Life Insurance Policies

A gift of life insurance can be very rewarding, particularly if the policy is fully paid-up. You may also consider using life insurance when you make a gift of another asset (*highly appreciated real estate, for example*) but wish to replace the value of that asset for your family. By using the tax savings generated by your gift to purchase a life insurance policy, you can replace the value of the gift in your estate for the benefit of your family.

Ways to Give: Life-Income Plans

Basically, a life-income gift plan with New Hampshire Public Television is an arrangement under which you make a gift of cash or property (stocks, bonds, real estate) in exchange for a stream of income for life. You may wish to designate your contribution to one of NHPTV's four funds: the Future Fund, the Programming Fund, the Education Fund, or the New Technologies Fund. Life-income gifts may be made in the form of trusts or gift annuities.

Gifts in Trust

In its simplest terms, a trust is an arrangement under which an individual transfers legal title to property to another (*the trustee*) who manages the property for the benefit of the individuals and/or organization specified in the trust agreement.

Trusts that make lifetime payments to the specified noncharitable beneficiaries and ultimately benefit charity are known as charitable remainder trusts. These trusts may take either of two basic forms:

- The charitable remainder unitrust
- The charitable remainder annuity trust

One principal difference between the two types of trusts is the amount of the payments made to the beneficiaries: Payments from a unitrust *vary* according to the investment performance of the trust. Payments from an annuity trust are *fixed* when the trust is created and will not vary over the lifetimes of the beneficiaries.

Planning pointer: If you fund either of these trusts with long-term appreciated securities, you will receive the benefits listed above *plus an additional tax benefit:* you will avoid capital gains tax on the appreciation when the securities are sold by the charity, thus preserving more of your gift to be used by NHPTV.

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Mary Ann Esposito with Karen Clement on the set of *Ciao Italia*.
Photo credit: Paul Lally

“My parents loved the programming and learning opportunities provided by New Hampshire Public Television. My parents set a wonderful example of philanthropy for others and me by leaving a bequest in their estate plans for NHPTV. They knew this was a legacy they could leave to the station for which they cared so deeply. What a wonderful way to make a difference.”

–Karen Clement,
Monadnock Region

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Gift Annuities

The gift annuity is perhaps the simplest and most popular charitable life-income arrangement. It does not require a complicated agreement, and the amount needed to fund it can be as little as \$10,000. Basically, a gift annuity is a contract between the donor and the charity. In exchange for a gift of cash or marketable securities, fixed payments are guaranteed to the beneficiary(ies) for life and a portion of each payment over the donor’s life expectancy will be tax-free. **Planning pointer:** A gift annuity will generate the benefits listed above *plus additional tax benefits:* You would be eligible for an income tax deduction today for the portion of your gift that will later pass to the charity.

Example: John and Mary A, both 70, make a gift of \$10,000 in return for an annuity of \$590 per year as long as either of them lives. The gift generates a current income tax deduction of \$3,754.

| \$10,000 Gift Annuity | | | |
|------------------------------|-----------------|------------------|----------------------|
| Age | Annuity Payment | Tax-Free Portion | Charitable Deduction |
| 60 | \$570 | \$258 | \$3,797 |
| 65 | \$600 | \$295 | \$4,131 |
| 70 | \$650 | \$350 | \$4,427 |
| 75 | \$710 | \$419 | \$4,808 |
| 80 | \$800 | \$511 | \$5,193 |

Better still, a portion of the annual payment is tax-free for the remainder of their life expectancies: \$304 of the \$590 annual payments John and Mary receive will be tax-free.

In addition to all its other benefits, the gift annuity also offers the opportunity to reduce capital gains tax when long-term, appreciated

property is used to fund it. And the reduced amount of tax that is payable is spread over the donor’s life expectancy.

Bequests

Each year thousands of individuals, exercising the privilege to determine the final distribution of their estates, designate that a portion of their assets be used for the benefit and support of America’s charitable organizations. In addition to the personal satisfaction of making a philanthropic bequest, gifts by bequest will enable you to make significant charitable contributions that may not have been possible during life and provide you a charitable estate tax deduction for the full value of your gift.

We Are Here to Help

There are numerous ways to tailor your own planned gift program, and we would be delighted to discuss your plan with you. We would be glad to provide you with a specific illustration of the tax and financial implications for any of the gift ideas mentioned above. As always, you should consult with your tax advisor and attorney as you make decisions about your philanthropic endeavors and to discuss the applicability to your own situation of the tax and financial principles contained herein.

For more information, please return the enclosed reply card for a copy of our booklet, *Ways to Give*.



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