

Visions

Fall 2008

Planning at Year's End

The final months of the year can be a good time to review important financial matters, including the charitable gifts you would like to make before the close of 2008. Time spent determining the best ways to give while maximizing tax and other financial benefits can help you increase the amount and effectiveness of your gifts.

Time of change

Changes in the performance of investments this year, lower interest rates, and other factors make it especially important to carefully weigh all decisions affecting your income, estate, and gift planning.

You may even be wondering if it will be possible to give as much as you would like to your charitable interests this year-end.

Be assured that even in today's challenging environment, there are exciting ways to make significant charitable gifts while realizing maximum personal and philanthropic benefits.

Enjoy tax savings

As you consider your plans this year, keep in mind that federal tax laws and the laws of many states continue to include generous incentives for making charitable gifts. These provisions can help you lower your tax bill next spring while you give more than might otherwise be possible.

Look to the future

Thoughtful planning today can also help ensure future economic security for you and loved ones as you make special gifts in support of public television and your other charitable interests.

Read on for ideas that may be helpful as you contemplate your financial plans for the remainder of the year. We will be pleased to share with you or your advisors additional information designed to help you complete your gifts in timely ways that assure maximum benefits for all.




Photo: Don Purdue, ©Thirteen/WNET

GREAT PERFORMANCES
presents "Pavarotti: A Life in Seven Arias." The documentary looks back over the legendary career of one of the greatest voices in all of music.



Helpful Tax Tips

A variety of factors may be involved in your decisions about charitable giving. They can include the need to assure continued financial security, concern about the well-being of loved ones, prevailing economic conditions, and the desire to make gifts with maximum impact.

The following information may be especially helpful as you consider how to make your gifts most effectively this year.

Extra incentives for property gifts

Making gifts in the form of stocks, bonds, mutual funds, and certain other property that has risen in value since you have owned it can make good sense from both philanthropic and financial planning standpoints. If you have owned such property for more than one year, you are generally entitled to an income tax deduction based on the

current value of the property, not just the amount you paid for it.

Tax deductions resulting from gifts of appreciated property can serve to eliminate tax on up to 30% of your adjusted gross income (AGI). (Gifts of cash can be deductible in amounts up to 50% of your AGI.) Any unused deductions may serve to lower taxes in up to five additional tax years.

When you make gifts of appreciated property, you also bypass capital gains tax that would be due if you sold the property, adding to the tax savings you enjoy from making your gifts in this manner.

Check your tax rate

You may find yourself in a higher bracket this year by virtue of an increase in income or fewer deductions.

If your tax rate is higher this year than last, all deductions you

claim as an itemizing taxpayer will be worth more.

Review retirement plans

Do you have retirement accounts that require you to take withdrawals this year? If you do not need the withdrawal amounts, you may find it wise to use a portion of the amount withdrawn to fund charitable commitments.

Although you report a withdrawal as taxable income, you are allowed an offsetting charitable deduction for your gifts. This can result in a wash for tax purposes and also ensure that no federal income and/or estate taxes must be paid by your beneficiaries in the future on the amounts donated.

For these reasons, many have found their retirement accounts can represent a convenient “pocket” from which to make charitable gifts to public broadcasting and others.



Photo: ©BBC, 2006

Billie Piper stars in MASTERPIECE THEATRE'S “The Ruby in the Smoke,” a Victorian mystery.



Photo: Gisela Kaufmann

NOVA presents “Kings of Camouflage.” Get “up close and personal” with the cuttlefish, one of the strangest animals on the planet.



Give the Right Property at the Right Time

Gifts of securities

If you own securities and have the certificates in your possession, send a signed stock power and the unendorsed stock power in separate envelopes. Your gift is considered complete on the date of the later postmark if the envelopes are not postmarked on the same day. For other securities or mutual funds, please call us and your financial services provider for specific instructions.

Take losses—give cash

If you have investments that have *decreased* in value since you purchased them, consider selling them and giving the cash proceeds. You may be able to deduct the amount of your loss as well as the amount donated, resulting in deductions that total more than the current value of the investment.

Give out of the market

Gifts of appreciated securities that you believe may decline in value in the future can allow you to lock in today's value for income tax purposes and avoid losses from future market declines.

Timing your gifts

To ensure that your gifts are deductible from this year's tax return, it is important that you complete them by December 31. If you expect to be in a lower tax bracket next year, your gifts may never save you more.

Ensuring Deductibility

Keep all acknowledgments and other records of your charitable gifts to be sure you can use the deduction. This is especially important for gifts of \$250 or more.

When you give non-cash property worth \$500 or more (other than publicly traded securities), you will need to complete IRS form 8283 to ensure the deductibility of your gift.

When you claim a deduction of more than \$5,000 in charitable gifts (\$10,000 in the case of closely held stock), a special appraisal is also required. See form 8293 and check with your tax advisor for details.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMVIII RFSCO, Inc. All Rights Reserved. NP45



Photo: © Tina and Friends

BOOHBAH is designed to engage and delight young children with compelling visuals and interactive situations.

From INDEPENDENT LENS comes "La Lupe: Queen of Latin Soul," a documentary of the life, work, and legacy of Afro-Cuban pop singer Lupe Victoria Yoli, known as La Lupe.



Courtesy: Norma Yoli/ITVS

Programs shown are a representative selection. Check your local listings for availability and scheduling in your area.



Looking to the Future



Veteran journalist Bill Moyers returns to PBS with a weekly public affairs series.

Because of reductions in estate taxes in recent years, many Americans find they can now leave more to loved ones free of tax. This may also make it possible to give more for charitable purposes, both now and as part of your long-range financial plans.

As you review your plans in light of tax law changes, you might wish to consider the following:

- **A gift through your will or living trust.** After providing for loved ones, you can leave a specific amount, a percentage of your estate, a certain property, or “what’s left.”
- **Gifts of life insurance.** If you own life insurance policies that have accumulated cash value, but are no longer needed for their original purposes, the value of such policies can be used to make gifts that provide welcome income tax savings today. In addition to, or as an alternative to, a gift by will, giving all or a portion of life

insurance proceeds can also result in significant estate tax savings.

- **Gifts of retirement plans.** Amounts remaining in retirement plans can be among the most heavily taxed assets in your estate. That is why many choose to direct that all or a portion of these accounts be devoted to charitable purposes.
- **Gifts that provide income for you or others.** A number of ways to give can also provide you with increased income, current and future tax savings, and other benefits.

Act today

As you can see, there are many ways you can make meaningful gifts to public television and others by carefully planning the timing of your gifts and the property to fund them.

We will be pleased to provide more information to you and/or your advisors as you complete your plans this year-end.