

A Newsletter from Foley & Foley, A Professional Corp.

Generations

For our clients and our professional estate planning partners

Are You a Planned Giver?

By Susan Behlke Foley

Generosity is an important—yet often unrecognized—reason to plan your estate.

Charitable giving is a routine part of daily life for most Americans. In fact, a publication from The Center on Philanthropy at Indiana University, *Giving USA 2010: The Annual Report on Philanthropy for the Year 2009*, estimates that we contributed \$303.75 billion to charitable causes in 2009. Of that amount, 88%, or about \$266.61 billion, is estimated to have come from individual giving, bequests, and family foundations. Truly, this is a place where we come together for the common good.

Planned Giving is directing that a charitable contribution will be made at the time of your death. The Internal Revenue



Code requires that you be required to pay income tax on gifts made to them at death from retirement accounts and retirement plans. (Those same retirement assets are taxed as ordinary income when distributed to individuals.)

Planned giving is a personal decision. Following are some of the options that we have found work well for clients who do not want to go to the expense of establishing their own private charitable foundations.

Gifts made through the Alaska Community Foundation or another Community Foundation to benefit specific purposes:

Give to a Donor Advised Fund at the Alaska Community Foundation or another community foundation. Community Foundations exist throughout the nation; the Alaska Community Founda-

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Annual Successor Trustee Workshop

When:

December 28, 2010
1:00 p.m.

Where:

Dimond Center Hotel
Chesloknu Conf. Room
700 E. Dimond Blvd.

Who:

For *Generations* clients, their families, successor trustees & beneficiaries.

Why:

- Celebrate the holidays.
- Teach your family, friends & loved ones about your estate plan.
- Let us get to know your family better.

RSVP to 522-2272

Americans contributed \$303.75 billion to charitable causes in 2009.

Code makes this possibility attractive in several ways. First of all, charitable gifts are deductible for estate tax purposes. Second, charities are not re-

Charitable Giving

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tion serves the state of Alaska. The donations contributed to Community Foundations become part of an investment pool that must be used for purposes that qualify for charitable deductions according to IRS regulations. When you make a gift to a donor advised fund, you direct the causes you want to support in the community. You can specify that your gift will be endowed (paid out in annual increments forever, similar to the way the Permanent Fund works), or you can specify that the fund may be depleted over time. You can also name family members or friends who can suggest recipients of contributions. These individuals are re-



ferred to as “fund advisors.” Finally, you can limit how your contributions will be used. Here’s an example. One couple we have assisted, Mr. and Mrs. Snowbird, has directed that a donor advised fund be established at the Alaska Community Foundation upon their deaths. They have provided for a national environmental organization that they like by a separate, direct gift. The Snowbirds have also supported an array of local organizations that benefit the homeless and those that benefit pets. They’re concerned about making big gifts at their deaths to organizations that

might not be around in a few years, but they like the idea of supporting whatever organizations may be doing good work in the community from time to time. The Snowbirds

used for a single, well established purpose can see that their wishes are carried out through a field of interest fund at a community foundation.

Direct gifts to specific Charitable Organizations or Educational Institutions:

Give directly to the organizations of your choice for their immediate use. This works best if you want to make gifts to less than about five organizations, and if you don’t want to give any more to each organization than would appropriately be used in

one year. The organizations you select will determine how the funds received will be used. Your gift will not span more than one year unless the organizations decide to save the money. If you want to have your gift used for a specific purpose, you must direct your wishes in the gift itself, and the purpose must be acceptable to the organization.

You can even name family or friends as “fund advisors,” who can then suggest potential recipients of contributions.

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The Snowbirds know that money will come out of their fund only for legitimate charitable purposes and that their children will be able to give input, but can’t demand that the fund be used to support environmental purposes that have been provided for elsewhere.

Give to a Scholarship Fund or a Field of Interest Fund at a community foundation. Clients who want to direct gifts to be used for scholarships, which can then be used at any university, can establish scholarship funds at a community foundation. Those who want to have their gifts

Give to an organization’s endowment fund. Many larger charitable



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organizations have their own endowment funds. By definition, an endowment is intended to last forever. The fund as a whole is invested, and a portion of the return on investment is disbursed for use by the organization. Remaining investment income is added back to the fund and reinvested to protect the fund from inflation. Should the organization cease to exist, any re-

maining endowment might pass to a similar organization.

Give to a university for scholarship purposes. There are many scholarship possibilities through our local University of Alaska system. The same is true of any college or university. If you have specific wishes, it is important to plan your scholarship in advance to assure that it will be

used as you desire.

Through the years, Foley & Foley's Generatlons clients have directed planned gifts worth millions of dollars in their estate planning documents. Foley & Foley can help you decide how best to support your favorite causes.

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Ten Ways to Help Someone who has Lost a Loved One

Talking to someone who has lost a close family member can be difficult, awkward, and stressful. The fear of seeming insensitive or patronizing can result in a loss for words. Here is a list of 10 things that you can do for someone who has suffered the loss of a loved one.

1. Say you are sorry for the loss and offer condolences. Sharing your own story of grief or loss in an effort to show that "you understand" may not be helpful because it makes you the focus instead of the person who has suffered the loss.

2. Offer specific help or support. Ask if you can run an errand, sit with the person, meet for coffee, help with housework, care for children, or help make funeral arrangements. Grieving people are often unable to function or even think about what they should be doing.

3. Put the burden on yourself to call. Telling a person to call you if they need anything puts the burden on them. Most people are embar-

assed to ask for help. Feel free to follow up more than once to show you are genuine about wanting to help. Offer something specific that you are willing to do.



4. Talk about the person who has died. You can't bring back the person who died, but you can comfort others by reminding them that you haven't forgotten their loved one. Tell stories and share remembrances of both serious and humorous situations involving the person who has died.

5. Invite the grieving person out. Solitude and space don't make the best recipe for someone who is grieving. Invite them for dinner, to a social function, on a walk, or to some activity that involves other people. Try to stay connected.

6. Tell them you have been thinking of them or praying for them. It is always nice to know that you are truly in the thoughts or prayers of others.

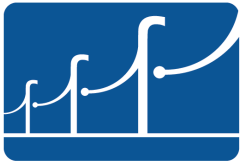
7. Offer to make a meal. Simple tasks like making food for oneself or one's family can be a burden for the person who is grieving.

8. Send flowers or a card. Showing that you remember the person who is grieving and the person who has died is a meaningful gesture.

9. Encourage tears. Crying is a powerful part of the grieving process. It is okay to let the griever know that they can cry when they are with you.

10. Listen. Sometimes you don't have to say anything; you just have to listen.

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Foley & Foley

BRIDGING
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Bill Pearson made Shareholder of Foley & Foley

William Michael Pearson has been made a shareholder of Foley & Foley. Mr. Pearson's practice will continue to focus primarily in the areas of estate planning, probate, and post-mortem trust administration.

"Bill has been an important part of our practice since he arrived here six years ago," said Richard Foley. "We are pleased that he will continue to serve our clients for years to come."

Born and raised in Fairbanks, Alaska, Pearson received his law degree from the University of Iowa College of Law, where he also served as a law journal editor.

Pearson joined Foley & Foley in 2004 as an associate, after clerking for Superior Court Judge Michael A.

Thompson in Ketchikan, Alaska.

Currently, Pearson is a member of the Anchorage and Alaska Bar Associations and is on the board of the Anchorage Estate Planning Council. He has served as Co-Chairman of the Estate Planning and Probate Section of the Alaska Bar Association and President of the Young Lawyers Section of the Anchorage Bar Association. In addition, Pearson has served as director of Race Judicata, an annual running event to raise funds and awareness for Anchorage Youth Court.

Pearson has presented locally on the topics of estate planning and probate law, including in 2009 at the Alaska Bar Association's annual convention on trusts and estates; in 2007 before the Alaska Bar Associa-



tion on *The Basics of Basic Wills*; in 2007 for Lorman Education Services on *Post-Mortem Trust Administration*; and in 2006 before the Alaska Bar Association on *Alaska's Special Estate Planning Techniques For You and Your Clients*. Pearson has also presented at the Wealth Counsel National Convention on Alaska community property law.

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