

Marketing Estate Planning Tools to Uncover Planned Giving Prospects 03.24.2016 Angela R. Throne

Please find a list below of additional resources from the *"Marketing Estate Planning Tools to Uncover Planned Giving Prospects"* webcast. These samples will help you create and use will kits in order to start more planned giving conversations. If you wish to print only certain resources, you may click their respective links to jump directly to them in the packet.

Pre-Webcast Resources

- 1. Foundation Wills Guide Pages 2-45 Estate and gift planning workbook.
- 2. <u>Heritage Membership Brochure</u> *Pages 46-50* An overview of Texas A&M's planned giving society for prospects/donors.
- 3. <u>Methods of Giving Brochure</u> *Pages 51-74* Information about various planned gift vehicles.
- 4. <u>Planned Giving Review Infographic</u> *Pages 75-76* Texas A&M's 2014-2015 planned giving statistics displayed for donors in an infographic.
- 5. <u>Together We Will</u> *Pages 77-87* Giving information for planned giving prospects.

SPIRIT AND MIND[®]



Planning for Your Future

Estate & Gift Planning Workbook







Plan for Tomorrow Today

The average American works more than 40 years to accumulate assets and spends 10 to 20 years conserving that accumulation, yet does not spend even two hours to plan for distribution of those assets. The chaos that often occurs following the death of a loved one can be burdensome. This burden can be eased through proper planning, however. This estate and gift planning workbook is designed to encourage you to think about how you want your assets to be distributed after your lifetime and to assist you in gathering the information your attorney will need to prepare a will and/or trust that accomplishes your goals.





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Estate Planning

Creating an estate and gift plan can achieve a lasting impact. People who create an estate plan are usually amazed at how easily it can be completed. A wellwritten estate plan tells the world what is important to you. It affirms your hopes and protects loved ones and cherished causes.

Talk with your family and advisors about your priorities and what passions, ideals and good works you want to continue beyond your lifetime. This is a great opportunity to let your family and favorite causes know how much they mean to you. Then see your attorney, who will ensure your plans are carried out.

There are three basic steps in the estate planning process:

1. Write down what you own.

It is important to understand what property you own and what property will be transferred through your estate.

2. Know how property is transferred.

Some property is transferred by will and some is transferred by a beneficiary designation or other form. You need to know how your property will be transferred in order to avoid an accidental disinheritance. With a good plan, your property will be transferred as you desire.

3. Sign your will and incapacity planning documents.

Finally, you must properly sign the documents that correctly express your will and desires for your property and for your potential future personal care.

BASIC ESTATE PLANNING

Getting Started

For basic estate planning, all individuals should have a will as well as incapacity planning documents.

Your will is a written document, signed by you and by two or more witnesses. The terms of your will determine the distribution of your property. If the will is not valid or you do not have a will, the court will follow state law for those without a will. Without a valid will, a judge may choose guardians for your minor children, select trustees to manage your property and even award property to your distant relatives. By drafting a valid will, you can choose who will inherit your property and who will administer your estate as executor or personal representative. If you have minor children, you can choose a person to raise your children. With a trust, you are permitted to decide who will manage the trust for family members.

A valid will is an essential part of transferring your property at the right time to the right people at the lowest cost. If you die without a valid will, costs, delays and the probability of expensive conflict increases. You can provide a wonderful legacy for your family with a will and a sound estate plan.

Incapacity planning documents are other important pieces of your estate plan. These legal documents communicate your wishes about medical treatment and financial dealings if at some time you are unable to make your wishes known due to illness or injury.

The Power of Attorney for Finances is designed primarily to provide for the management of your estate in the event of your incapacity. The Directive to Physicians, also known as a "living will," is designed to set forth your desires in certain events, such as a terminal illness where you are unable to communicate with your physicians. The Medical Power of Attorney will make health care decisions for the incapacitated person. The Health Insurance Portability and Accountability Act (HIPAA) Authorizations allow your named administrators to access your medical records.

Keeping It Current

It is important to update your estate plan regularly. To change a provision of your will, your attorney will prepare an amendment to your will called a codicil. If many changes are desired, your attorney may draft a new will. Never cross out a sentence or words or make notes on your will or trust. These handwritten notes invite estate litigation.

You should review your plan about every two or three years, or sooner if any of the following occur:

- A move to another state
- Death of spouse or divorce
- Change in estate value or receiving an inheritance
- Incapacity or death of your spouse, executor, guardian, trustee or agent
- Birth of children or grandchildren
- Change in charitable giving plans
- Changes in estate tax and gift laws.

BENEFITS OF OTHER PLANNING OPTIONS

Living Trusts

If you have a moderate or large estate, you may wish to create a living trust, which is completely within your control during your lifetime. You can add property to the trust or remove property from the trust at any time. During your lifetime, the trust income is taxable to you.

There are at least three major benefits of a living trust. If you become unable to handle your affairs, your designated successor trustee can take over and manage your property for your benefit. Second, when you die, the property in your living trust will avoid probate and potentially save thousands of dollars. Third, your living trust typically is a private document and is not made public during the probate process.

Custom Estate Plan for Business, Investments or Special Needs Child

If you own a family business, substantial real estate or a high-value estate, then you should create a custom plan that considers your special property goals and requirements. A custom plan option is also important if you have a child with special needs. A child with special needs may be provided for through a special needs trust. A special needs trust will facilitate care of your child by providing resources and directions. In some cases, a child may qualify for federal or state benefits to help in funding his or her care.

IRA, 401(k) or Other Retirement Plan

Your Individual Retirement Account (IRA), 401(k) or other retirement plan is transferred by a beneficiary designation. The IRA or 401(k) custodian can provide a form for you to select a primary and contingent beneficiary. Because your retirement plan may represent a major portion of your assets (30 percent to 70 percent), you should review your beneficiary designation every two to four years.

Life Insurance

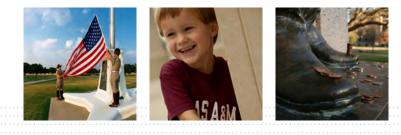
Life insurance is usually permanent (whole life or universal life) or term. The insurance policy is a contract, and there is a beneficiary designation form. You select the primary and contingent beneficiary to receive the death benefit.

Charitable Remainder Trusts

A charitable remainder trust is an excellent way to benefit you, your spouse, other family members and your favorite charitable causes. It combines substantial tax savings with the ability to produce payments for you or your family members. Charitable remainder trusts are especially helpful for retired individuals who would like to sell land or stock tax-free and receive generous payments. At the end of the trust term, the assets in the trust benefit the charities of your choice.

Charitable Gift Annuity

A charitable gift annuity can provide you with fixed payments for life and help you support your favorite charity. People age 50 and older who fund a gift annuity receive a substantial income tax charitable deduction and fixed payments for life, a portion of which may be tax-free. A gift annuity can last for one life or for two lives. For a husband and wife, the payments will last until both have died, at which time the remainder benefits the charity.





You and Your Family

To prepare an accurate estate plan, it is important for your attorney to know basic information about you and your family. In the following sections, please spell names exactly as you want them to appear in your estate documents. Use full legal names, not nicknames.

YOUR PERSONAL INFORMATION

Today's Date	
Your Full Legal Name	
Date of Birth	_ Gender: 🗆 Male 🗆 Female
U U	ed □ Legally Separated □ Widowed status occur?
Home Address	
City	_ State ZIP
Phone ()	Email
Employer	
Job Title	Work Phone ()
Are you a U.S. citizen? □ Yes □ Naturalized □ No	
Check which documents you pr	esently have:
□ Living Trust	
□ Directive to Physicians/Living	Will
□ Medical Power of Attorney	
□ HIPAA Authorizations	
□ Power of Attorney for Finance	es

YOUR SPOUSE

	Spouse's Full Legal Name		
	Date of Birth	_ Gender: □ Male □	Female
	Phone ()	Email	
	Employer		
	Job Title	Work Phone ()	
	Is your spouse a U.S. citizen? □ Yes □ Naturalized □ No		
	Check which documents your sp	oouse presently has:	
	□ Living Trust		
	□ Directive to Physicians/Living	Will	
	□ Medical Power of Attorney		
	□ HIPAA Authorizations		
	□ Power of Attorney for Finance	es	
	Do you or your spouse have a p disposes of separate spousal pr □ No □ Yes (attach a copy)		that identifies and
YOUR	RELIGION		
	Religious Organization		
	Address		
	City	State	ZIP

Please list *all* children, whether minors or adults, *including deceased children and children of a prior relationship.* If you need more space, attach additional pages. If you wish to exclude a child as a beneficiary of your estate, check the "Exclude" box. If you have no children, write "NONE."

1. Child's Full Legal Name		
Date of Birth	Social Securit	y Number
Address		
City	State	ZIP
Phone ()	Email	
Status: (<i>check all that appl</i>) □ Needs Special Care □ D	,	5
Origin: Child of Present	Marriage 🗆 Child	of Prior Relationship
2. Child's Full Legal Name		
Date of Birth	Social Securit	y Number
Address		
City	State	ZIP
Phone ()	Email	
Status: (<i>check all that apply</i> □ Needs Special Care □ D	,	5
Origin:	Marriage 🗆 Child	of Prior Relationship
3. Child's Full Legal Name _		
		y Number
Address		
City	State	ZIP
Phone ()	Email	
Status: (<i>check all that apply</i> □ Needs Special Care □ D	,	5
Origin: Child of Present	Marriage □ Child	of Prior Relationship

YOUR ESTATE PLANNING GOALS

Your goals will be carried out through your estate plan. Listed below are several goals. Please indicate how important these goals are to you by circling a number from 1 to 5 by each goal, where "1" indicates lowest in importance.

Goal	Rankin	g			
	Least Impo	Least Important		Most Important	
Reduce estate taxes	1	2	3	4	5
Increase current income	1	2	3	4	5
Provide for guardianship of minors	1	2	3	4	5
Provide for health care if disabled	1	2	3	4	5
Protect against liability	1	2	3	4	5
Create a charitable legacy	1	2	3	4	5
Sell appreciated assets tax-free	1	2	3	4	5
Plan for business	1	2	3	4	5
Other goals listed below	1	2	3	4	5

Goals:

YOUR ESTATE PLANNING FAMILY BACKGROUND

1. Have you or your spouse made gifts greater than the annual exclusion under the Internal Revenue Service (IRS) guidelines in any one year to any individual? If yes, please describe:

2. Are you or your spouse presently serving as the trustee of any trust, guardian of any minors (other than your children), or executor of any estate? If yes, please describe:

3. Have you or your spouse created any trusts or made gifts to any trusts? If yes, please describe:

4. Do you or your spouse expect an inheritance? If so, from whom and how much? Are you a beneficiary of any trust? If yes, please describe:

5. State the location and box number(s) of your safety deposit boxes and who is permitted to access:

You and Your Contacts

You will need to appoint trusted individuals to fulfill roles within your estate plan, and your attorney needs accurate contact information for all of them.

YOUR EXECUTOR

Because your executor will make decisions about the management and distribution of your estate, you should select a trusted person or organization familiar with your circumstances. Executorship is an important role, so it is wise to discuss this role with the person (or organization) to ensure he or she is willing to serve before naming them as executor. An executor will usually complete eight separate steps to ensure an orderly transfer of all of your property to the right individuals.

- 1. Submit your will to the probate court
- 2. Locate your heirs
- 3. Determine your estate assets and values
- 4. Pay bills and the estate attorney
- 5. Make debt payments
- 6. Resolve any estate controversies
- 7. File your income and estate tax returns
- 8. Distribute your assets to heirs

Your Executor

Name	
Address	
City	
Phone ()	
Relationship	
Your Alternate Executor Name	
Address	
City	
Phone ()	
Relationship	

YOUR GUARDIAN FOR MINOR CHILDREN

If you have minor children (younger than 18 in most states), a guardian should be named for their care in your will. For many parents, this is the most important reason for having a will. The guardian is the person who will have physical custody of your minor children. If you do not select a guardian, the court will appoint one if there is no surviving parent. In this case, your children may be forced to live with someone you would not have chosen. It is important to select a guardian who shares your values and will teach those values to your children.

If you are married, your primary guardian will usually be your spouse. An alternate guardian should be named in the event that your first choice of guardian is deceased or unable to serve. It is wise to ask the person you select whether he or she is willing to serve.

If your spouse is to serve as first choice for guardian, which is usual when the surviving spouse is the child's parent, write "spouse" in the first guardian space below. If there is a death or divorce, be sure to review these selections and choose another person if necessary.

Name	
Address	
City	State ZIP
Phone ()	Email
Relationship	
Your Alternate Guardian Name	
Address	
	State ZIP
Phone ()	Email
Relationship	

Your Guardian

YOUR MEDICAL POWER OF ATTORNEY

Two primary documents express your wishes regarding your health should you become unable to make such decisions for yourself. A Medical Power of Attorney empowers another person you select to make key decisions about your care. These could include whether to undergo a medical procedure or other health care decisions.

A second document is Directive to Physicians, or living will. If you are in your final weeks or days of life, then decisions must be made about nutrition, hydration, resuscitation and other critical care.

Your attorney may also draft a Health Insurance Portability and Accountability Act (HIPAA) Authorization that allows the individuals you name to have access to your private health information. (To learn more about HIPAA, visit **www.hhs.gov** and search "HIPAA".)

State ZIP
Email
orney
rney
orney
orney

Your Medical Power of Attorney

YOUR POWER OF ATTORNEY FOR FINANCES

A common question is, "What if I am no longer able to manage my property?" Unfortunately, senior citizens have often been defrauded of property. A smart plan to protect yourself and your property is creating a Power of Attorney for Finances.

If you can no longer manage your property or wish to have someone else manage it, your Power of Attorney for Finances will have the legal authority to buy, sell and manage your property.

Your Power of Attorney for Finances

	ZIP
Email	
r Finances	
State 2	
	Email

Estate Finances

Listing all of your assets and liabilities will help your advisor plan your estate. At the end of this exercise, most people learn that they are worth more than they think!

Assets	Total Value of Asset (\$)	Check if Joint Property	Check if Husband's Property	Check if Wife's Property
Example Property	\$298,000		\checkmark	
Real Estate				
Main Residence Address				
Second Residence Address				
Vacation Home				
Checking Accounts				
Bank & Account Number				
Savings Accounts/CDs/Money	Market Funds/Cred	lit Union Accour	its	
Bank & Account Number				
Tax Sheltered Annuity— Not in Retirement Plan				

Assets	Total Value of Asset (\$)	Check if Joint Property	Check if Husband's Property	Check if Wife's Property
Investments				
Bonds/Bond Fund— Custodian & Account Number				
Stocks/Stock Fund— Custodian & Account Number				
Savings Bonds				
Personal Property				
Furniture/Household Furnishings				
Tools/Equipment				
Antiques/Collections				
Jewelry				
Automobiles/Vehicles				
Business Interests				
Life Insurance— Custodian & Account Number				
Life Insurance— Custodian & Account Number				
Retirement Account— Custodian & Account Number				
Retirement Account— Custodian & Account Number				
Total Assets:	\$			

Liabilities	Total Value of Liability (\$)	Check if Joint Property	Check if Husband's Property	Check if Wife's Property
Personal Residence Mortage— Holder & Account Number				
Second Residence Mortage— Holder & Account Number				
Vacation Home Mortage— Holder & Account Number				
Vehicle Debts— Holder & Account Number				
Credit Card Account— Holder & Account Number				
Credit Card Account— Holder & Account Number				
Installment Contracts— Holder & Account Number				
Loans on Life Insurance— Holder & Account Number				
Other Debts				
Total Liabilities:	\$			
TOTAL ESTATE (Assets Less Liabilities):	\$			

Notes:

Planning Your Estate

When planning your estate, you must make several decisions. You can select one of the three estate plan options listed in the section below. The following pages contain forms for each option, with separate forms for single individuals and married couples. Locate the form you need and fill it out based on your wishes.

CHOOSING YOUR ESTATE PLAN

Here are your three estate plan options:

- 1. **Simple Will:** With a simple will, you may transfer specific property and then give away what is left (the residue of your estate). Your simple will may transfer your property to family members or favorite charities. If you are married and die first, your estate is transferred to your surviving spouse.
- 2. Simple Will With Minor's Trust for Children: As a parent with minor children, you should select a guardian and a trustee to manage assets for their benefit.
- 3. "Give It Twice" Trust for Family: A "give it twice" trust is funded with assets from your estate and pays income to family with the remainder to charity. You may desire to benefit children, or other relatives and charities.

Don't Forget Your Pets

Your pets, as friends and members of your family, depend on you for lifelong care. It is important to secure future care for your pets in the event that they are left behind.

Texas A&M is home to a state-ofthe-art animal care facility. Located on campus as part of the College of Veterinary Medicine and Biomedical Sciences, the Stevenson Companion Animal Life-Care Center provides the physical, emotional and medical needs of pets whose owners are no longer able to provide that care.

For more information visit: vetmed.tamu.edu/stevenson-center



Estate Plans for Single Individuals

Use this section if you are single or a surviving spouse. *If you are married, use the section beginning on page 28.* Please choose one of the three options—Simple Will, Simple Will With Minor's Trust for Children or "Give It Twice" Trust for Family—and fill out the information for that form only.

1. SIMPLE WILL-SINGLE INDIVIDUALS

For a single person or surviving spouse, a simple will is the easiest way to pass on your property. With a simple will, you may transfer a specific property or amount, and then divide the balance (legal term is "residue") of the estate among family, friends and charity.

Specific Bequests

Bequests to family, friends or charity:

ITEM, AMOUNT OR PERCENTAGE	RECIPIENT, CITY AND STATE		
1			
2			
3			
4.			

Residue of Estate

Balance of estate to family, friends or charity:

PERCENTAGE		RECIPIENT, CITY AND STATE
1	% to	
2	% to	
3	% to	
4	% to	

This option assumes that one trust is created with income distributions made equally to your children until they reach a selected age. The trustee may be given the right to invade the trust principal for the health, support or education of children, however. Select a trustee and specify the age for ending the trust and distributing the trust balance to family, friends or charity.

If your will creates a testamentary trust for the benefit of minor children, it does not avoid probate. This trust would become operative only if neither parent is living. Funds from the trust are then given by the trustee to the guardian to provide for your children's care and living expenses, including college. The trustee or guardian may be one person, but could be two individuals as co-trustees or co-guardians if you desire. The trustee can also be the guardian.

The trustee's responsibilities continue until your child reaches the age you specify for the final distribution of any remaining trust funds. Careful consideration should be given to this important position. Integrity along with the ability and experience to manage financial assets are important factors. If you die without a will and leave property to your minor children, the court will appoint a conservator for your estate unless you establish a trust for your children.

A trust offers many advantages over a conservatorship. A conservator is generally appointed by a court and must follow rigid statutory rules. He or she must file an accounting and petition for approval before the court annually. This can result in expensive court costs and attorney fees. A conservatorship also ends at age 18 for each child, and your child receives the remainder in a lump sum. Ask yourself, "What will an 18-year-old do with the money?" For obvious reasons, most parents don't like this arrangement. With a trust you can specify the age when your children will receive the principal from the trust. You don't have to give it all in a lump sum when they reach age 18 but may defer distribution of principal to age 25, 30 or even longer.

Specific Bequests Bequests to family, friends or charity:

ITEM, AMOUNT OR PERC	ENTAGE	RECIPIENT, C	TY AND STATE
1			
Trustee of Minor's Tru Name	st		
Address			
			ZIP
Phone ()		_ Email	
Relationship			
			o children
Final Minor's Trust Dis Balance of trust to far		,	
PERCENTAGE		recipient, c	TY AND STATE
1	% to		
2	% to		
3	. % to		
4	. % to		

3. "GIVE IT TWICE" TRUST FOR FAMILY-SINGLE INDIVIDUALS

Another popular option for a single person is to divide the estate into two parts. The first portion of your estate is given to the beneficiaries when you die. The other part is transferred to a "give it twice" trust.

A "give it twice" trust is a charitable remainder unitrust that pays a set percentage (between 5 and 7 percent) each year to your beneficiaries for their lifetime or a period of up to 20 years. After paying income to the beneficiaries for the duration of the trust, the remainder is given to favorite named charities.

For example, a surviving spouse had an estate of \$600,000. She gave \$200,000 outright to children from the estate and placed \$400,000 in a "give it twice" trust. After payouts of more than \$400,000 from the trust, the principal was given to her selected charities. Her children received \$600,000–\$200,000 directly from the estate and \$400,000 of income from the trust– and her favorite charities also benefited.

Specific Bequests

Bequests to family, friends or charity:

ITEM, AMOUNT OR PERCENTAGE	RECIPIENT, CITY AND STATE
1	
2	
3	
4.	

Choose the outright and trust portions, which must total 100 percent:

Dutright to Beneficiaries	%	To "Give It Twice"	Trust	%
---------------------------	---	--------------------	-------	---

"Give It Twice" Trust Beneficiaries

Individuals to receive trust payments:

RECIPIENT, CITY AND STATE

1.	
2.	
3.	
4	

Final "Give It Twice" Trust Distribution

Balance of trust to charity:

PERCENTAGE

CHARITY, CITY AND STATE

- 1. _____ % to
- 2. ______% to
- 3. _____ % to
- 4. _____ % to



Estate Plans for Married Couples

Use this section if you are married. *If you are single or a surviving spouse, use the section beginning on page 23.* Please choose one of the three options—Simple Will, Simple Will With Minor's Trust for Children or "Give It Twice" Trust for Family—and fill out the information for that form only.

1. SIMPLE WILL-MARRIED COUPLE

For a married couple, a simple will is the easiest way to pass on your property. The first estate may include specific bequests to children or charity with the balance transferred outright to the surviving spouse. The estate of the surviving spouse may then be transferred by specific bequest and/or by dividing the balance (legal term is "residue") of the estate among family, friends and charity.

First Estate—Specific Bequests

Bequests to family, friends or charity, with balance to spouse:

ITEM, AMOUNT OR PERCENTAGE	RECIPIENT, CITY AND STATE
1	
2	_
3	
4.	

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Second Estate—Specific Bequests

Bequests to family, friends or charity:

Residue of Second Estate

Balance of second estate to family, friends or charity:

PERCENTAGE

RECIPIENT, CITY AND STATE

- 1. _____ % to
- 2. _____ % to
- 3. _____ % to
- 4. _____ % to





2. SIMPLE WILL WITH MINOR'S TRUST FOR CHILDREN-MARRIED COUPLE

A couple with minor children may want a trust for their children. The first estate could include specific bequests to children or charities with the balance transferred outright to the surviving spouse. The estate of the surviving spouse may then be transferred by specific bequests with the balance of the estate passing to a trust for children.

The trust is created with income distributions made equally to your children until they reach a selected age. The trustee may be given the right to invade the trust principal for the health, support or education of children, however. Select a trustee and specify the age for ending the trust and distributing the trust balance to family, friends or charity.

If your will creates a testamentary trust for the benefit of minor children, it does not avoid probate. This trust would become operative only if neither parent is living. Funds from the trust are then given by the trustee to the guardian to provide for your children's care and living expenses, including college. The trustee or guardian may be one person, but could be two individuals as co-trustees or co-guardians if you desire. The trustee can also be the guardian.

The trustee's responsibilities continue until your child reaches the age you specify for the final distribution of any remaining trust funds. Careful consideration should be given to this important position. Integrity along with the ability and experience to manage financial assets are important factors. If you die without a will and leave property to your minor children, the court will appoint a conservator for your estate unless you establish a trust for your children.

A trust offers many advantages over a conservatorship. A conservator is generally appointed by a court and must follow rigid statutory rules. He or she must file an accounting and petition for approval before the court annually. This can result in expensive court costs and attorney fees. A conservatorship also ends at age 18 for each child, and your child receives the remainder in a lump sum. Ask yourself, "What will an 18-year-old do with the money?" For obvious reasons, most parents don't like this arrangement. With a trust you can specify the age when your children will receive the principal from the trust. You don't have to give it all in a lump sum when they reach age 18 but may defer distribution of principal to age 25, 30 or even longer.

First Estate—Specific Bequests

Bequests to family, friends or charity, with balance to spouse:

ITEM, AMOUNT OR PERCENTAGE	RECIPIENT, CITY AND STATE
1	
2	
3	
4.	

Second Estate—Specific Bequests

Bequests to family, friends or charity:

ITEM, AMOUNT OR PERCENTAGE	RECIPIENT, CITY AND STATE
1	
2	
3	
4	





Trustee of Minor's Trust

Name		
		State ZIP
Phone ()		Email
Relationship		
		g principal to children
Final Minor's Trust Dis Balance of trust to far		charity:
PERCENTAGE		RECIPIENT, CITY AND STATE
1	% to	
2	% to	
3	% to	
4	% to	



3. "GIVE IT TWICE" TRUST FOR FAMILY-MARRIED COUPLE

Another popular option for married couples is to create a "give it twice" trust in their second estate. The first estate may include specific bequests to children or charity with the balance transferred outright to the surviving spouse.

The estate of the surviving spouse is divided into two parts. The first portion of your estate is given to the beneficiaries when you die. The other part is transferred to a "give it twice" trust.

A "give it twice" trust is a charitable remainder unitrust that pays a set percentage (between 5 and 7 percent) each year to your beneficiaries for their lifetime or a period of up to 20 years. After paying income to the beneficiaries for the duration of the trust, the remainder is given to favorite named charities.

For example, a surviving spouse had an estate of \$600,000. She gave \$200,000 outright to children from the estate and placed \$400,000 in a "give it twice" trust. After payouts of more than \$400,000 from the trust, the principal was given to her selected charities. Her children received \$600,000–\$200,000 directly from the estate and \$400,000 of income from the trust—and her favorite charities also benefited.

First Estate—Specific Bequests

Bequests to family, friends or charity, with balance to spouse:

ITEM, AMOUNT OR PERCENTAGE	RECIPIENT, CITY AND STATE
1	
2	
3.	
4	

Second Estate—Specific Bequests Bequests to family, friends or charity:

ITEM, AMOUNT OR PER	CENTAGE	RECIPIENT, CITY AND STATE	
1			
2			
		rtions, which must total 100 percent:	
Outright to Beneficia	aries	_% To "Give It Twice" Trust	%
"Give It Twice" Trust Individuals to receive RECIPIENT, CITY AND ST	trust payme		
1			
2			
3			
4			
Final "Give It Twice" Balance of trust to ch	Trust Distrib		
PERCENTAGE		CHARITY, CITY AND STATE	
1	_ % to		
2	_ % to		
3	_ % to		
4	_ % to		

Estate Planning Information

The following pages contain additional estate planning information that may be helpful as you work with your attorney.

PERSONAL PROPERTY DISTRIBUTION

Your will or trust is designed to transfer property to the individuals you select. Under most states' laws, you are permitted to make a list of property that may include jewelry, silver, china, furniture, stamps, coins, art and other personal items that are movable. The advantage of this list is that you may update it as you buy or sell these items or you may change your mind about who will receive what.

By making and updating this list, you can change the recipients as your property changes. Be certain that you have signed and dated each list. The last list you completed will be the only valid list. Anytime you update your list, make a copy and send the original to your attorney or personal representative for safekeeping.

If some items on this list are very valuable (especially art and other collections), then it is important to discuss the transfer of these items with your professional advisor. Your advisor may use language similar to the language below in your will:

Example Language

"Under the laws of the state of ______, I may leave a written statement or a list, dated and signed by me, disposing of certain items of my tangible personal property. Any such list with date and signature shall be effective to transfer the named personal property. If no signed and dated list is identified by my personal representative within 30 days after his or her qualification, it shall be presumed that there is no statement or list and any subsequently discovered statement or list shall be ignored."

DESCRIPTION/LOCATION	RECIPIENT, CITY AND STATE
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4	

List to Dispose of Personal Property

DESCRIPTION/LOCATION	RECIPIENT, CITY AND STATE
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FREQUENTLY ASKED QUESTIONS (FAQS)

1. Why should I make a will?

A will allows you to state how you want your property (estate) distributed; name an executor (also called a personal representative) to distribute your property; pay debts and taxes; handle other business affairs to settle your estate; name a guardian for your minor children; provide for your favorite charities; and set up trust funds.

Having a will speeds the process of distributing your property and can save expenses. Without a will, state laws dictate who receives your property, who serves as conservator (the name usually given to a court-appointed executor) to settle your estate and who serves as guardian for your minor children. State laws are rigid and rarely would follow your wishes. For instance, without a will, you cannot leave a bequest to your favorite charity. Also, without a will, your estate costs are likely to be much higher. There are many cases in which a person saved a few hundred dollars by not signing a valid will, but then the estate spent tens of thousands of dollars to settle disputes and distribute the property.

2. Does a will distribute all of my property?

Certain assets pass outside of the will. For example, assets owned jointly by two persons with rights of survivorship will pass directly to the surviving owner. Life insurance, Individual Retirement Accounts (IRAs) and pension plan proceeds go directly to the designated beneficiary. Property placed in a living trust is controlled by the provisions of the trust, not your will.

3. If I have a living trust, do I still need a will?

Yes. The living trust provisions apply to assets placed in the trust, but the will controls other assets that have not been placed in the trust, such as personal property (furniture, jewelry, heirlooms, collections) and any property acquired after funding the living trust. Typically the balance (legal term is "residue") from your probate estate is added to your living trust.

4. How do I change my will or living trust after it has been signed?

First, never cross out a sentence or words or make notes on your will or trust. These handwritten notes invite estate litigation. To change a provision of your will, your attorney will prepare an amendment to your will called a codicil. If many changes are desired, your attorney may draft a new will. Your attorney changes a living trust by drafting an amendment to the trust. A codicil to your will or amendment to your trust must be signed and witnessed following the same formalities that were used in the initial signing of the will or living trust.

5. If I become divorced, is my will revoked?

In some states—yes, it is revoked. In others, a divorce may have the effect of revoking only the provisions that relate to your former spouse. Check with your attorney to find out what your state law says if you are contemplating divorce. Most of the time, your attorney will advise you to sign a new will after the divorce.

6. What is probate?

Probate is the court-supervised legal procedure that determines the validity of your will (if you have one). The probate judge supervises: the gathering and inventory of your estate assets; payment of debts, taxes and administrative costs; and distribution of your remaining assets to your beneficiaries if you have a will or, if not, as determined by state law. Probate of a smaller estate after one's death may be simple and inexpensive. Probate of larger estates can involve significant time and costs. With proper planning, needless expenses can be reduced.

7. How can I avoid probate?

It takes careful estate planning. Some ways to avoid probate include jointly owned assets with rights of survivorship or creating a living trust that is funded during your lifetime. Assets such as IRAs, life insurance and pension plans also can go directly to your designated beneficiary without probate. Because living trust assets avoid probate, individuals who value privacy place assets in their trust. Assets passing under a will do not have this benefit; a will becomes a public document after a person's death. Bank accounts and brokerage accounts can be transferred to individuals or charities in desired percentages by adding Payable on Death (POD) or Transfer on Death (TOD) designations to those accounts. In some states, a beneficiary deed can transfer real estate to individuals or charities at your death without probate.

8. What is a will contest?

If a disgruntled relative seeks to have your will declared invalid by filing a lawsuit, a will contest occurs. The disgruntled relative usually feels that he or she did not receive a fair share of your estate. He or she hopes to have your will declared invalid to gain an increased share.

Some reasons that wills are contested include claims that you were not of sound mind when the will was created, that you did not understand what was being done or that you were under coercion or undue influence. Some states allow "self-proving" wills to help discourage will contests. With a self-proving will, you (along with witnesses) affirm that the will signing is valid and then the will or affidavit is notarized.

9. How can I leave a charitable bequest?

It can be as simple as stating in your will the amount or percentage value of your estate that you want to go to a favorite charity. A charity may also be named as a beneficiary on life insurance, IRAs and other retirement plans by listing the charity on a change of beneficiary form provided by the company. You can also list charities as a full or partial beneficiary of a bank or brokerage account through Payable on Death or Transfer on Death designations. Real estate can also be transferred in some states by beneficiary deeds or by a life estate deed signed during your lifetime.

10. When should I update my will and estate plan?

You should review your plan about every two to three years, or sooner if any of the following occur:

- A move to another state
- Death of spouse or divorce
- Change in estate value or receiving an inheritance
- Incapacity or death of your spouse, executor, guardian, trustee or agent
- Birth of children or grandchildren
- Change in charitable giving plans
- Changes in estate tax and gift laws.

ATTORNEY AND ACCOUNTANT INFORMATION

Your Accountant		
Name		
Address		
	State	
Phone ()	Email	
Your Attorney Name		
Address		
	State	
Phone ()	Email	
Notes for Attorney		



Disclosure on Attorneys and the Texas A&M Foundation

Thank you for completing this estate and gift planning workbook. We offer it to you as an educational service. While we attempt to provide helpful estate and financial background information, we are not able to offer specific legal advice on your personal situation. Because you may have special needs, we know you will want to contact your attorney. He or she will be your independent advisor and will have an obligation of trust and confidence to you. With the advice of your independent attorney, you may have a customized estate plan that truly fulfills your unique family, health care, estate and planning circumstances. The Texas A&M Foundation Office of Gift Planning is happy to work with you and your advisors if you have questions regarding charitable gifts to support Texas A&M University.

The following language may aid you and your attorney in preparing your bequest to the Texas A&M Foundation for the benefit of Texas A&M University.

I give, devise and bequeath to the Texas A&M Foundation, a nonprofit corporation organized in accordance with the laws of the State of Texas for the purpose of supporting Texas A&M University, an educational institution, located at College Station, Texas,

a) the sum of \$ _____

b) the following described property _

c) _____% of the rest, residue and remainder of my estate.

The property comprising this gift may, for investment purposes, be merged with any of the general investment assets of the Texas A&M Foundation, but the gift shall be entered in the Foundation's books and records as the ______ Endowment/Scholarship/Professorship/Chair, and shall always be so designated. The distributions from the fund shall be used

a) to further the purposes of the Texas A&M Foundation in its support of Texas A&M University

b) to help deserving students of Texas A&M University by providing

- 1) academic achievement scholarships such as President's Endowed Scholarships
- 2) financial need-based scholarships such as Endowed Opportunity Awards
- 3) underrepresented student scholarships such as Foundation Excellence Awards
- 4) student leadership scholarships for members of the Corps of Cadets or other student organizations
- 5) general, college or department scholarship endowments

c) to provide support for the College of ______ or _____ department at Texas A&M University

d) to support a chair/professorship in_____at Texas A&M University.

If you select a specific purpose for your gift, inclusion of the following sentence will ensure that the bequest remains useful through many decades.

If, in the judgment of the Foundation Board of Trustees, changed circumstances should, at some future time, render the designated use of this fund impracticable, unwise or inappropriate, then the Board shall use the fund to further the objectives and purposes of Texas A&M University, giving consideration to my special interest as evidenced by the purpose described above.

Texas A&M University is a leading university by any measure. Since its founding, former students and friends have contributed to Texas A&M knowing that they are supporting one of the nation's top universities. Thanks to their foresight and vision, the university's impact is felt around the world: through research that saves lives, graduates who become leaders in their professions and communities, and programs on every continent.

The university's continued growth and success will require generous support from those who love and believe in it. You have the opportunity to make a difference. You can help ensure that Texas A&M University has resources to fight disease; develop new energy sources; sustain our environment; share great art, music and literature; strengthen the economy; teach tomorrow's leaders; and improve the quality of life in Texas and the global community.

As you think about creating your enduring legacy, we hope Texas A&M is one of the organizations you choose to support. Your generosity will guarantee that we can pursue our mission for the benefit of generations to come.

The best way to give depends on your situation and should be discussed with your attorney, accountant or financial advisor. The Texas A&M Foundation Office of Gift Planning team is ready to work with you and your advisors, in confidence and without obligation, to help you explore and achieve your personal, financial and philanthropic goals.

Special Recognition: Heritage Membership

The Texas A&M Foundation created Heritage Membership in the A&M Legacy Society to honor individuals and families who have made planned gifts to benefit A&M.

Membership Benefits

- Invitation to annual appreciation events
- Name on glass panels in Legacy Hall at the Jon L. Hagler Center
- Recognition in the Foundation's publications.

If you name the Texas A&M Foundation as the beneficiary of a planned gift of any size, we want to welcome you as a Heritage Member. Visit **giving.tamu.edu/plan** or contact the Texas A&M Foundation Office of Gift Planning at (800) 392-3310 for more information.





SPIRIT AND MIND[®]

GLENN PITTSFORD '72 Vice President for Gift Planning g-pittsford@tamu.edu

401 GEORGE BUSH DRIVE COLLEGE STATION, TEXAS 77840-2811 TEL (800) 392-3310 (979) 845-8161

giving.tamu.edu/plan



SPIRIT AND MIND[®]



Your Legacy is A&M's Future.

Become a Heritage Member in the Texas A&M Legacy Society.



In the heart of every Aggie is a commitment to protect and promote the A&M tradition of excellence. Aggies from all walks of life shape the future of A&M and support generations of students through planned gifts that benefit Texas A&M.

"Our planned gift has brought our family closer together. To make a gift like this is quite an experience and it is truly heartwarming."

- Lenette & Clifton Pfeil '50



Heritage Membership

The Texas A&M Foundation created Heritage Membership in the A&M Legacy Society to honor individuals and families who have made planned gifts (such as bequests, trusts or charitable gift annuities) to benefit A&M. Their gifts will have a lasting impact on the university.

Become a Heritage Member. Let your legacy be A&M's future. Your commitment will always be felt in Aggieland.

Membership Benefits

- Invitation to annual appreciation events.
- Recognition as a Heritage Member on the glass panels in Legacy Hall at the Jon L. Hagler Center.
- Recognition in the Foundation's annual report.

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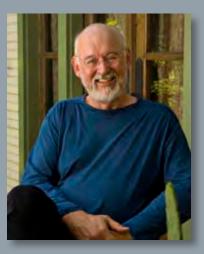
How to Become a Member

If you have already named the Texas A&M Foundation as the beneficiary of a planned gift, we want to welcome you as a Heritage Member. Please contact the Texas A&M Foundation Office of Gift Planning to have your name added to our rolls.

If you want to create a future gift for Texas A&M, our experienced gift planners will work with you, your attorney and other advisers to design the best gift plan for your individual situation.

Planned Giving Options

A wide range of planned gift options is available, allowing you to tailor a gift to your unique needs and interests. After-lifetime gifts, such as bequests or gifts of retirement assets, benefit Texas A&M without utilizing your current assets or income. Funding a dual-benefit gift, such as a charitable gift annuity or charitable trust, provides you and your family with significant benefits and provides support for Texas A&M. Contact the Office of Gift Planning to learn about these options and more.



"Think deeply about the gifts you have received during your lifetime, including an Aggie education, and how to keep those gifts alive through your will. That is the core of philanthropy."

– Lee Walker '63

SPIRIT AND MIND®



Your Legacy is A&M's Future.

Become a Heritage Member in the Texas A&M Legacy Society.

With planned giving, your gift for Texas A&M can be more significant than you thought possible while providing exceptional benefits to you and your family.

Your planned gift will ensure future support for A&M. Let the Office of Gift Planning help you discover your opportunities.

- I am interested in becoming a Heritage Member of the Texas A&M Legacy Society through a planned gift to the Texas A&M Foundation.
- I have not previously informed you, but I have already included the Texas A&M Foundation in my estate plan.

Find out more about becoming a Heritage Member. Visit **giving.tamu.edu/plan** or call the Texas A&M Foundation Office of Gift Planning. Our assistant vice president for gift planning, Glenn Pittsford '72, will be happy to answer your questions.

> (800) 392-3310 or (979) 845-8161 E-mail: g-pittsford@tamu.edu

SPIRIT AND MIND®



Methods of Giving Create Your Texas A&M Legacy



What is the Texas A&M Foundation?

Founded in 1953, the Texas A&M Foundation is a nonprofit organization that encourages major gifts and manages endowments for the benefit of Texas A&M University academics and leadership programs. Receiving gifts for Texas A&M through a separate nonprofit foundation has multiple benefits: We can be flexible in our investments to increase our earnings; we ensure that funds are used for the purposes designated by the donor; and we respect donors' privacy by keeping personal giving and financial records confidential. This partnership that the Foundation has forged with Texas A&M is perpetual and powerful.

Your Gift. Your Way. Your Texas A&M.

You can support Texas A&M in many ways—very few require a lump-sum check. You can pledge a gift to be completed in five years or plan a gift that will be fully funded in the future. When you invest in the spirit and mind of Texas A&M, you make a difference for our university, communities, state and country. It's a deeply rewarding way to express your belief in the greater good.

As we look toward the future, we know that the generosity of those who invest in Texas A&M will make all the difference in our university's success. By giving through the Foundation, you can benefit from your investment as well. The best giving plans make a difference in the lives of others and can improve your own financial and/or tax situation—often right away. If you prefer to defer funding your gift until after your lifetime, there are several methods from which you can choose, each with different benefits. In addition, some giving methods pay you for a particular time period, after which the remainder of the gift will be your legacy to A&M.

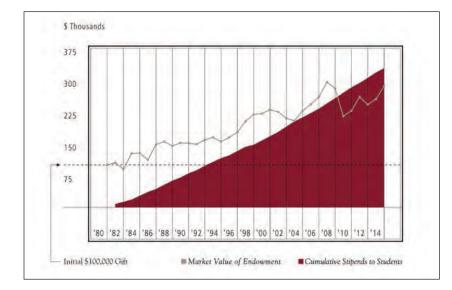
When you support Texas A&M, we will work with you to ensure both you and the university benefit.



Importance of Endowments

Endowment gifts are crucial to Texas A&M's future because they permanently benefit the university. The Texas A&M Foundation invests endowments using asset allocation to maximize growth while safeguarding capital during tough economic times.

Here is an example of an endowment's important staying power: If a donor created a \$100,000 scholarship in 1980, this one endowment would have paid students a total of more than \$326,000 by 2014. The impact of this single gift will continue in perpetuity.



Direct Your Gift

A gift for Texas A&M should reflect your interests, your dreams and your legacy. The Foundation will work with you to create a gift agreement that designates the specific areas of Texas A&M you want to benefit.

Legacy Society

The Texas A&M Legacy Society recognizes individuals, corporations and organizations whose current gifts to Texas A&M cumulatively total \$100,000 or more. Heritage Membership in the Texas A&M Legacy Society honors donors who create planned gifts of any amount. See page 23 for details.

This booklet is for informational purposes only. It is not intended as legal or tax advice. You are encouraged to consult with your advisor when making charitable gifts.

Make an Immediate Impact

Current Gifts

If you want your gift for Texas A&M to go to work immediately, a current gift of cash or securities might be the best option. You can give a lump sum or pledge a gift to be completed in five years. Real estate and intangible property also make excellent outright gifts with immediate impact but might require planning.

GIFT ASSETS

Cash
Securities
Real Estate
Term Royalty Deed
Intangible Property





MATCHING GIFTS

Did you know you may be able to double, triple or quadruple the amount of your current gift by using a corporate matching program? Each company has its own rules and matching gift forms, so check with your employer's human resources department. Several companies offer retirees and widows of employees the same matching gift opportunities they offer current employees.



CASH

THE GOAL

You want to make a quick and easy gift.

THE GIFT

You can give via check, credit card or electronic funds transfer.

THE DETAILS

Write a check payable to the Texas A&M Foundation or visit **txamfoundation.com** and click on "Give Now" to make a gift by credit card. You can also set up automatically recurring payments online. Contact the Foundation at (800) 392-3310 for electronic funds transfer instructions.

SECURITIES

THE GOAL

You want to avoid capital gains tax on the sale of securities.

THE GIFT

You can give publicly held stocks, closely held stocks, bonds or mutual funds.

THE DETAILS

Contact the Foundation at (800) 392-3310 to transfer securities.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction.

Capital Gains Bypassed: You can eliminate capital gains tax on your gift.



REAL ESTATE

THE GOAL

You want to make a current or planned gift of property, eliminate ownership and management burdens, generate tax benefits and even generate income.

THE GIFT

You can give your home, oil and gas mineral and royalty interests, vacation property, commercial property, or land.

THE DETAILS

Contact the Foundation at (800) 392-3310 for information about making a gift of real estate.

TERM ROYALTY DEED

THE GOAL

You want to support Texas A&M and avoid income taxes through a gift of royalty interest.

THE GIFT

You create a term royalty deed for a specified period of time to fund a specific Texas A&M program. You can also create a term royalty deed for a specified dollar amount.

THE DETAILS

Temporarily transfer royalty interest to the Texas A&M Foundation through a term royalty deed.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction.

Capital Gains Bypassed: You can reduce or eliminate capital gains tax with your gift.

Burdens of Ownership Removed: You will relieve yourself of maintenance, tax and insurance obligations on the property.

THE BENEFITS

Tax Advantage: During the deed term, you do not pay income taxes on this mineral royalty because royalty generated from mineral interests passes directly to the Texas A&M Foundation.

INTANGIBLE PROPERTY

THE GOAL

You want to make a gift of intangible property and generate tax benefits.

THE GIFT

You can give patents, copyrights or royalties.

THE DETAILS

Contact the Foundation at (800) 392-3310 for information about making a gift of intangible property.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction.



Create a Legacy for A&M

Planned Gifts

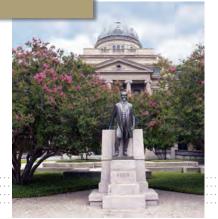
Join the growing number of Aggies planning their gifts and estates to benefit themselves, their families and Texas A&M. This section tells how you—through planned gifts—can provide for loved ones, receive tax benefits, generate potential retirement income and help Texas A&M all at the same time.

A wide range of planned gift options is available, allowing you to tailor a gift to your unique needs and interests. *After-lifetime gifts* such as bequests or gifts of retirement assets will benefit Texas A&M without using your current assets or income. *Dual-benefit gifts* such as a charitable gift annuity or charitable remainder trust will offer you and your family significant benefits as you support Texas A&M.

If you want to create a future gift for Texas A&M, the Foundation's experienced gift planners will work with you, your attorney and other advisors to design the best gift plan for your individual situation.

PLANNED GIFTS ARE FOR EVERYONE

It's never too early to think about creating a future gift for Texas A&M. Anyone who has property and a family should have an estate plan, and a charitable gift can be an important part of that plan.











TYPES OF PLANNED GIFTS

After-lifetime Gifts

Bequest	10
Retirement Account	11
Life Insurance	14
Testamentary Charitable Remainder Unitrust	15

Dual-benefit Gifts

Charitable Gift Annuity1	6
Charitable Remainder Trust 1	7
Charitable Lead Trust	8
Retained Life Estate	9
Part Unitrust, Part Sale	0
Bargain Sale 2	1

For anyone who has benefited from all the great things Texas A&M offers and wants to give back, an estate gift is an excellent choice. Your estate can be used to great value long after you are gone. The endowments created will carry on forever.

—Craig Noonan '66



BEQUEST

Did you know that a bequest is the most common type of planned gift? A bequest is a gift for Texas A&M in your will or living trust. It is simple to make and easy to implement.

THE GOAL

You want to support Texas A&M but need access to your assets during your lifetime.

THE GIFT

You retain ownership and use of assets during your lifetime but leave a portion of them to the Texas A&M Foundation in your will or living trust to benefit Texas A&M as you wish.

THE DETAILS

There are many ways to leave a bequest to the Foundation in your will or living trust. You can leave a specific item, a dollar amount or a percentage of your estate.

Your attorney can use the following language in preparing your bequest for the benefit of Texas A&M University:

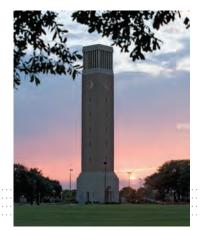
I give, devise and bequeath to the Texas A&M Foundation, a nonprofit corporation organized in accordance with the laws of the State of Texas for the purpose of supporting Texas A&M University, an educational institution, located at College Station, Texas, the following described property: ______.

The property comprising this gift may, for investment purposes, be merged with any of the general investment assets of the Texas A&M Foundation, but the gift shall be entered in the Foundation's books and records as the ______ Fund and shall always be so designated.

THE BENEFITS

Tax Deduction: Your estate will receive a charitable estate tax deduction.

Revocable: If your circumstances change, so can your gift.



RETIREMENT ACCOUNT

Most retirement assets carry a heavy tax burden when passed to beneficiaries. They are not taxed when passed to the Texas A&M Foundation, making them a great gift option.

THE GOAL

You want to avoid income and estate taxation on Individual Retirement Accounts (IRAs) or other retirement accounts.

THE GIFT

You name the Texas A&M Foundation as beneficiary of your taxdeferred retirement account.

THE DETAILS

IRAs and other tax-deferred retirement accounts are great ways to accumulate assets to provide for retirement. They are not ideal for transferring wealth to the next generation, though, because they carry a tax burden to beneficiaries (except spouses) when inherited. Bequests of homes, land, stocks, bonds and other similar assets do not incur the same tax burden, so they are preferable assets to leave to family in wills and estate plans.

Many individuals leave less-taxed assets to their heirs and give IRAs or other tax-deferred accounts to the Foundation. As a charitable organization, the Foundation receives these retirement assets free of tax to benefit Texas A&M as you wish.

THE BENEFITS

Tax Advantages: Your retirement assets can benefit Texas A&M instead of being paid as taxes, and your family can receive other assets that bear less of a tax burden.

Revocable: If your circumstances change, so can your gift.

GIVE YOUR IRA TWICE

In some instances, the percentage of the estate in tax-deferred retirement accounts is large. A testamentary charitable remainder unitrust funded with retirement assets benefits your family and Texas A&M while providing significant tax savings. See page 15 for more information on testamentary charitable remainder unitrusts.

Choose the Gift That Matches Your Goals

	YOUR GIFT	MINIMUM Amount	FUNDING ASSETS	YOUR GOAL
CURRENT GIFTS	Cash	No minimum	Check, credit card, electronic funds	Make a quick and easy gift.
	Securities	No minimum	Publicly held stocks, closely held stocks, bonds, mutual funds	Avoid capital gains tax.
	Real Estate	\$25,000	Home, oil and gas mineral and royalty interests, vacation property, commercial property, land	Generate tax benefits through a property gift.
	Term Royalty Deed	Contact us	Mineral royalties	Generate tax benefits through a gift of royalty interests.
	Intangible Property	No minimum	Patents, copyrights, royalties	Generate tax benefits through a property gift.
GIFTS	Bequest	No minimum	Cash, securities, real estate	Control assets during your lifetime.
	Retirement Account	No minimum	Retirement assets	Avoid double taxation on your retirement assets.
AFTER-LIFETIME	Life Insurance	No minimum	Life insurance policy	Make a gift without using current assets.
	Testamentary Charitable Remainder Unitrust	Contact us	Retirement assets, cash, securities, real estate	Pass part of your estate to others in the form of regular payments.
DUAL-BENEFIT GIFTS	Charitable Gift Annuity (not available in all states)	\$10,000	Cash, securities	Receive fixed payments for life.
	Charitable Remainder Trust	Contact us	Cash, securities, real estate	Turn an appreciated asset producing little or no income into an income stream with tax advantages.
	Charitable Lead Trust	Contact us	Cash, securities, real estate	Benefit Texas A&M and then transfer assets to family at minimal tax cost.
	Retained Life Estate	Based on appraised amount	Real estate	Give a gift of real estate but maintain lifetime use.
	Part Unitrust, Part Sale	Based on appraised amount	Real estate	Liquidate a highly appreciated asset without incurring substantial tax.
	Bargain Sale	Based on appraised amount	Real estate	Sell your property and receive the tax advantages of a charitable gift.

	HOW IT WORKS	YOUR BENEFITS	PAGE
	Write a check, give online or set up a funds transfer.	Income tax deduction	5
	Transfer your securities to the Foundation.	Income tax deduction Capital gains bypassed	5
	Donate your property to the Foundation.	Income tax deduction Capital gains bypassed Burdens of ownership removed	6
· · · - · · · · · · · ·	Temporarily transfer mineral royalties to the Foundation.	Tax advantages Maintain ownership of royalty rights	6
	Donate your property to the Foundation.	Income tax deduction	7
	Designate the Foundation as a beneficiary in your will or living trust.	Estate tax deduction Revocable	10
	Designate the Foundation as beneficiary of your retirement account.	Income and estate tax advantages Revocable	11
	Change beneficiary or transfer ownership of your life insurance policy to the Foundation.	Tax advantages	14
• • • • • • • • • • •	Include a charitable trust in your will or living trust that pays your beneficiaries for life. The Foundation receives the remainder.	Estate tax deduction Payments for life Revocable	15
	Give cash or securities to fund a gift annuity and receive fixed payments for life. The Foundation receives the remainder.	Partial income & estate tax deduction Capital gains tax advantages Payment for life, some portion tax-free Attractive rates	16
	Transfer cash or appreciated property to fund a trust that sells your property and provides you with payments for life or a term of years. The Foundation receives the remainder.	Partial income & estate tax deduction Capital gains tax advantages Payments for life or term of years Burdens of ownership removed	17
	Transfer cash or property to fund a trust that makes gifts to the Foundation for a term of years. Your family receives the remainder.	Income, estate or gift tax deduction	18
••••••	Give your property to the Foundation but retain the right to use the property during your life or the life of a beneficiary.	Income and estate tax advantages Lifetime use of property	19
	Deed a portion of your real estate into a charitable remainder trust. After the property is sold, you receive your portion of the proceeds, and your trust receives its share.	Income tax deduction Capital gains tax advantages Payments for life or term of years Burdens of ownership removed	20
	The Foundation purchases your property for less than fair market value. Your gift is the difference between the market value and the purchase price.	Income tax deduction Capital gains tax advantages Burdens of ownership removed	21

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LIFE INSURANCE

When you first bought life insurance, you obviously felt the coverage was necessary. Perhaps your situation changed, yet you still have the same policies. Just as life insurance can provide future lump sums to family members, it can also be used to benefit A&M.

THE GOAL

You want to make a gift to support Texas A&M without using current assets.

THE GIFT

You name the Texas A&M Foundation as beneficiary of your life insurance policy or give ownership of the policy to the Foundation to benefit Texas A&M as you wish.

THE DETAILS

There are three types of life insurance gifts. The first option is to retain ownership of the policy and name the Texas A&M Foundation as beneficiary. You can also give a paid-up life insurance policy to the Texas A&M Foundation. Finally, you can give a new or existing life insurance policy with continuing premiums. For this option, you will transfer ownership of the policy and make annual tax-deductible gifts to the Texas A&M Foundation that will be used to pay the premium.

THE BENEFITS

Tax Advantages: If you make the Foundation owner of your policy, you receive an immediate charitable income tax deduction and reduce your taxable estate. If you name the Foundation beneficiary of the policy while retaining ownership, your estate will receive an estate tax deduction.



TESTAMENTARY CHARITABLE REMAINDER UNITRUST

Also known as a "give it twice" trust, this method of giving allows you to provide payments to family and benefit Texas A&M with one asset while receiving tax savings.

THE GOAL

You want to pass part of your estate to the next generation in the form of regular payments rather than a lump sum.

THE GIFT

You include a "give it twice" trust in your will that is funded after your lifetime. It provides payments to your children or other beneficiaries for a term of years or their lifetimes, and then distributes the trust remainder for the benefit of Texas A&M.

THE DETAILS

You make provisions in your will or living trust for a testamentary charitable remainder unitrust to begin after your lifetime. The trust pays a set percentage (usually between 5 and 7 percent) each year to your beneficiaries for their lifetimes or a period of up to 20 years. After paying the beneficiaries for the duration of the trust, the Texas A&M Foundation receives the trust remainder, which then benefits Texas A&M as you wish.

Retirement accounts or any accounts containing tax-deferred income are commonly placed into testamentary charitable remainder unitrusts by naming the trust as beneficiary (or contingent beneficiary for a married couple) because they can pass tax-free to a charitable trust. Real estate, securities and cash may also fund a testamentary charitable remainder unitrust.

THE BENEFITS

Tax Deduction: Your estate will receive a charitable estate tax deduction.

Payments for Life: Your beneficiaries receive payments each year from your trust based on a set payout rate that you choose.

Revocable: If your circumstances change, so can your gift.

CHARITABLE GIFT ANNUITY

Are you tired of being at the mercy of the fluctuating stock market? Are you looking for a secure source of fixed payments? A charitable gift annuity is a possible solution.

THE GOAL

You want to make a gift to benefit Texas A&M and receive fixed payments for life.

THE GIFT

You give cash or securities to fund the gift annuity, and the Texas A&M Foundation makes fixed payments to one or two individuals for their lifetimes. The remainder benefits Texas A&M.

THE DETAILS

A charitable gift annuity for Texas A&M is a contract between you and the Texas A&M Foundation. In exchange for a gift of cash or securities, the Texas A&M Foundation agrees to make fixed payments for the lifetime(s) of one or two individuals. When the gift annuity terminates, the Foundation uses the remainder to benefit Texas A&M as you wish. Annuitants must be at least 50 years old when payments begin, and the minimum amount to create a gift annuity is \$10,000.

A gift annuity contract can generate immediate payments (current gift annuity) or defer payments for at least one year (deferred gift annuity).

THE BENEFITS

Tax Advantages: You will receive an immediate charitable income tax deduction. Also, a portion of each payment may be tax-free for a period of time.

Capital Gains Bypassed: You can reduce capital gains tax on securities used to fund the gift.

Payments for Life: One or two individuals receive fixed payments for life.

Attractive Rates: Payout rates are based on age. The older the beneficiary, the higher the rate.



CHARITABLE REMAINDER TRUST

Do you own an appreciated asset producing little or no income? Use it to fund a charitable remainder trust that generates income and tax advantages.

THE GOAL

You want to turn an appreciated asset that generates little or no income into a productive asset without paying capital gains tax on the sale.

THE GIFT

You fund a charitable remainder trust with appreciated securities, real estate or cash. The trust makes payments to selected beneficiaries for their lifetimes or a specified term of years. It then distributes the remaining trust assets into an endowment that benefits Texas A&M as you wish.

THE DETAILS

You transfer cash, appreciated securities or appreciated real estate to a charitable remainder trust. This tax-exempt trust can sell the property without paying capital gains taxes at the time of the sale.

There are two types of charitable remainder trusts, both of which will pay you and your beneficiaries for life and/or a period of up to 20 years. With a *charitable remainder unitrust*, beneficiaries receive a fixed percentage payout (usually between 5 and 7 percent) based on the value of the assets in the trust, which are revalued annually. With a *charitable annuity trust*, beneficiaries receive a fixed dollar payout based on the value of the assets when the trust was created.

After paying the beneficiaries for the duration of the trust, the Texas A&M Foundation receives the trust remainder, which then benefits Texas A&M as you wish.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction.

Capital Gains Bypassed: You can reduce capital gains tax on securities used to fund the gift.

Payments for Life: You and your beneficiaries receive payments each year from your trust based on a set payout rate or a set dollar amount.

Burdens of Ownership Removed: You will relieve yourself of maintenance, tax and insurance obligations on real estate used to fund the trust.

CHARITABLE LEAD TRUST

You may want to support A&M but do not want to take assets away from your family. When you fund a charitable lead trust, you can benefit Texas A&M and your family.

THE GOAL

You want to benefit Texas A&M for a period of time and then transfer the assets to your family at minimal tax cost.

THE GIFT

You contribute assets to a charitable lead trust that will make distributions to the Texas A&M Foundation to benefit Texas A&M as you wish for a specified number of years and ultimately distribute the assets to your family.

THE DETAILS

You transfer assets to the charitable lead trust, a taxable trust. You can fund the trust during your lifetime or through your will.

For a specified period of years, the trust will report its income and take a deduction for the amount that it distributes to the Texas A&M Foundation. After paying the Foundation for the duration of the trust, your designated beneficiaries will receive the trust remainder tax-free.

THE BENEFITS

Tax Advantages: You receive a current gift or estate tax deduction for the present value of the payments that will benefit A&M. Any asset growth within the trust passes to your family with no additional tax when the trust terminates. Also, a charitable lead trust can reduce your taxable estate.





RETAINED LIFE ESTATE

A retained life estate allows you to receive the tax advantages of a charitable gift while still enjoying your property for the rest of your life.

THE GOAL

You want to give your real estate to the Texas A&M Foundation but maintain lifetime use of the property.

THE GIFT

You deed your home or property to the Texas A&M Foundation now, but the Foundation will not take possession of the property until after your lifetime or that of your beneficiary.

THE DETAILS

You execute a deed transferring your property (home, vacation residence, farm, ranch, condominium, etc.) to the Texas A&M Foundation to benefit Texas A&M as you wish. In the deed, you retain a "life estate" that grants you and/or your designated beneficiary the right to lifetime use of the property.

You are still responsible for property maintenance, taxes and insurance. You are entitled to any income generated from the property, such as rent and agricultural proceeds.

You can move out of the residence permanently at any time. If you relinquish your life interest in the property, you qualify for an additional charitable income tax deduction.





THE BENEFITS

Tax Advantages: You receive an immediate charitable income tax deduction and reduce your taxable estate.

Lifetime Use of Property: You can use and control the property during your lifetime.

PART UNITRUST, PART SALE

Your investments may have gained value but produce little income. Now may be the time to sell and enjoy the fruits of a wise investment with a "part unitrust, part sale."

THE GOAL

You want to liquidate a highly appreciated asset without incurring substantial capital gains tax.

THE GIFT

You deed a portion of your real estate into a charitable remainder trust. After the property is sold, you receive your portion of the proceeds, and your trust receives its share. The trust makes payments to you and then distributes the remainder into an endowment for Texas A&M.

THE DETAILS

There are several steps to a "part unitrust, part sale." First, you deed a portion of the property to a charitable remainder trust. Second, you and your trustee sell the property. Finally, at closing you receive a portion of the proceeds, and your trust receives its share.

The portion of your property that is transferred to the charitable remainder trust will bypass capital gains tax. The charitable income tax deduction from your trust will offset all or part of the capital gains tax due on the sale portion.

Your trust will provide payments to you and your beneficiaries for life and/or a period of up to 20 years. At the termination of the trust, the remainder funds an endowment at the Texas A&M Foundation to benefit Texas A&M as you wish.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction for the portion of the asset placed into your trust.

Capital Gains Bypassed: You can reduce or eliminate capital gains tax on the property.

Payments for Life: You and your beneficiaries receive a set payout each year from your trust.

Burdens of Ownership Removed: You will relieve yourself of maintenance, tax and insurance obligations on the property.

BARGAIN SALE

Do you plan to sell some of your real estate this year? A bargain sale is one way to sell your property and help Texas A&M.

THE GOAL

You want to sell your property and receive the tax advantages of a charitable gift.

THE GIFT

The Texas A&M Foundation purchases your property for less than fair market value. Your gift, which is the difference between the fair market value and the bargain purchase price, will be used to benefit Texas A&M as you wish.

THE DETAILS

You sell your property to the Texas A&M Foundation for less than fair market value. You receive a charitable income tax deduction for your gift, which is the difference between the property's fair market value and the cash received.

THE BENEFITS

Tax Deduction: You will receive an immediate charitable income tax deduction.

Capital Gains Bypassed: You can reduce or eliminate capital gains tax on the property.

Burdens of Ownership Removed: You will relieve yourself of maintenance, tax and insurance obligations on the property.

A BARGAIN SALE WORKS EVEN WITH MORTGAGED PROPERTY

A bargain sale works well even if there is a debt on your property. When the real estate is sold to the Texas A&M Foundation, you will be relieved of your debt obligation. While you might pay tax on this debt relief, it will likely be offset by the charitable income tax deduction from the gift.







your LEGACY 15 a&m's future



The Texas A&M Legacy Society recognizes individuals, corporations and organizations whose current gifts to Texas A&M cumulatively total \$100,000 or more.

Heritage Membership

Heritage Membership in the Texas A&M Legacy Society honors individuals and families who have made planned gifts of any size to benefit A&M.

Legacy Society and Heritage Member Benefits

- Invitation to annual appreciation events
- Recognition in the Jon L. Hagler Center
- Acknowledgment in Foundation media

Becoming a Member

The Texas A&M Foundation will contact you about joining Legacy Society once you reach the cumulative giving level. If you have named the Foundation as beneficiary of a planned gift of any size, please contact our Office of Gift Planning to become a Heritage Member in Legacy Society.

> Find out more about becoming an A&M Legacy Society or Heritage Member. Visit txamfoundation.com or call the Texas A&M Foundation at (800) 392-3310 or (979) 845-8161 Email: info@txamfoundation.com

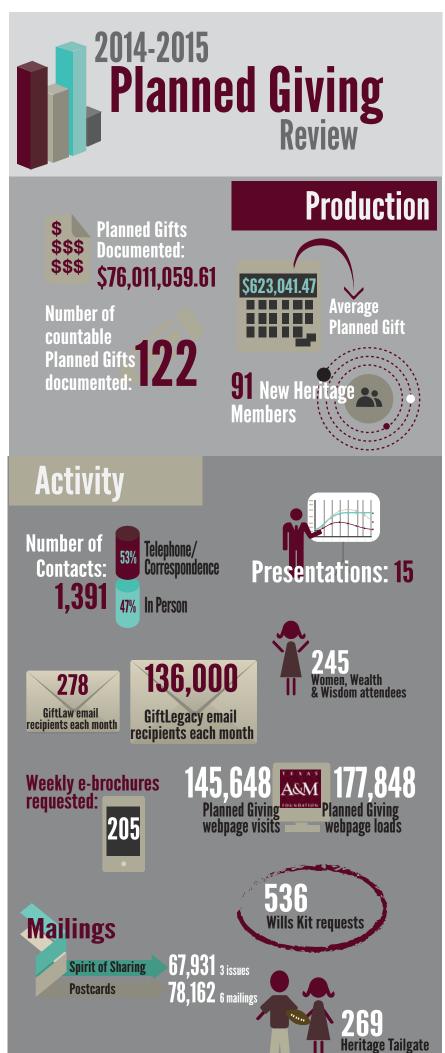
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All statistics are based on the 2014-2015 fiscal year beginning July 1, 2014 and ending June 30, 2015.

attendees

Long Term Accomplishments



The **Office of Gift Planning** staff is extremely mature and experienced:

The gift planners have a combined



JAJ years of gift planning experience.

The Office of Gift Planning has



Office of Gift Planning

(979) 845- 8161 txamfoundation.com/plan giftplanning@txamfoundation.com



TEXAS A&M FOUNDATION OFFICE OF GIFT PLANNING



Together we will

make Texas A&M better, brighter, greener, finer, richer in the arts, more promising for all, more innovative, more [you choose the goal].



A bequest could be the most

Your gift does good forever because it permanently endows a fund.

When you endow a fund using a charitable bequest through the Texas A&M Foundation, you are creating a permanent legacy that will never stop giving.*

your bequest.

Endowments are subject to a spending plan, which is designed to increase charitable distributions each year while preserving the principal of the original gift.

*How permanent is permanent, measured in real time? Ben Franklin left a bequest in 1790, no strings attached, to benefit the people of Philadelphia and Pennsylvania. His then-thousands are now worth millions, and his bequest does good today.

Michelle Keller '93 has included a bequest in her will to make sure that future generations of Aggies enjoy study abroad like she did.

influential gift you ever make.

"Define permanent," you may ask? We preserve the principal of

Tailor a gift to your *unique* needs and interests.

When thinking about the future and the distribution of your assets, you may feel torn between those causes you are passionate about and promises made or responsibilities felt for family and friends.

With a little research and some planning, you will be able to leave a legacy that inspires others for years to come.

And don't forget your retirement accounts! Making the Foundation a beneficiary of an individual retirement account can be one of the easiest and most tax-advantaged gifts available.



The G. Willard '39 & Ginger Pool Large Animal Hospital Equine Teaching & Research Endowed Fund was created with a gift from their estates.

We firmly honor your charitable intentions. Conway B. Alford & Roy O. Kendall created the Kendall Endowment Fund for the Collection & Study in Lepidoptera through a gift in their wills.

Our stewardship is the old-fashioned kind: picky. We aren't just watching the numbers in your account. We are making sure that your gift is being used in the way that you intended.

Your endowment is used only for the purpose that you designate and we adhere to that strictly.



How much you give is up to you. How big it grows is up to us.

Prepare to be pleasantly surprised.

That's what is so wonderful about bequests.

No matter the size of your gift,* once it comes to the Foundation, we put it to work.

The Texas A&M Foundation manages your fund to produce both steady income and ample growth.

Result? Your bequest ends up doing more good every year.

*Minimum gift size for a named endowment: \$25,000.



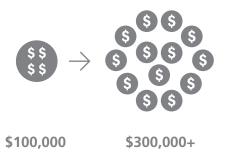


The Carl and Bina Sue Martin Endowment for Excellence in Sheep and Goat Research was created with a gift from the Martins' estate.

Mary & Bert Loudon are supporting the future of OPAS with a retirement account beneficiary gift.

Check out this \$100,000 charitable bequest example:

The circle on the left represents the relative size of a \$100,000 bequest the day it arrives at the Foundation in 1980.



The circles on the right represent how much the original \$100,000 grows in principal over 34 years, while at the same time making grants totaling \$326,500 and netting out all fees.



It takes as little as 15 minutes to change the world as you know it.

Give us a call at (800) 392-3310 or send us an email at giftplanning@txamfoundation.com and we can send you the information you need to include a charitable gift in your estate plans.

We will work with you, your attorney, and other advisors to design the best gift plan for your individual situation.

Commonly Asked Questions

Q. Is it difficult to make a charitable bequest?

A. Not at all. You can do it today, with a call to us at (800) 392-3310. We will give you the information you need to visit with your attorney.

Q. How big is a typical charitable bequest?

A. Individual bequests to the Texas A&M Foundation have ranged from \$1,000 to tens of millions. Bequests are just like their givers, they are all different with different stories.

Q. What kind of assets can I leave?

A. There are several ways to make a charitable bequest. You may leave:

- A specific cash amount
- Financial investments, such as stocks, mutual funds, bonds, or certificates of deposits
- A percentage of your estate
- Make the Texas A&M Foundation beneficiary of a life insurance policy or retirement plan
- Real estate or mineral rights.

Q. How will the Foundation know where to use my gift?

A. A gift for Texas A&M should reflect your interests, your dreams and your legacy. The Foundation will work with you to create a gift agreement that designates the specific areas of Texas A&M that you want to benefit.

Q. How does Texas A&M Foundation recognize donors?

- A. Heritage membership in the A&M Legacy Society honors individuals and families who have made planned gifts of any size to benefit Texas A&M. Heritage membership benefits include:
 - Invitation to annual appreciation events
 - Recognition in the Jon L. Hagler Center
 - Acknowledgement in Foundation media.



Scholarships and fellowships change lives and enrich the student body. They drive the spirit and guide the minds of generations of Aggies so they can affect the world in productive and inventive ways. When you fund a scholarship or fellowship, you're making a profound difference for individual students and for the lives those students touch as graduates of Texas A&M University.

Some of the best high school students can't afford today's tuition, but scholarships open up a world of possibilities to them. They also free students from the necessity of part-time jobs, giving them more time to satisfy their intellectual curiosity or to participate in A&M's character-building organizations.

Endowed scholarships ensure your legacy.

Endowed scholarships are crucial to the future of A&M because they provide benefits to students for generations. The Texas A&M Foundation invests endowed scholarship funds in a way that maximizes growth while safeguarding thwe principal. Then it distributes only the earnings on your investment.

The Texas A&M Foundation

Founded in 1953, the Texas A&M Foundation is a nonprofit organization that encourages major gifts and manages endowments for the benefit of Texas A&M University academics and leadership programs. Receiving gifts for Texas A&M through a separate nonprofit has multiple benefits: We can be flexible in our investments to increase our earnings; we ensure that funds are used for the purposes designated by the donor; and we respect donors' privacy by keeping personal giving and financial records confidential. This partnership that the Foundation has forged with Texas A&M is perpetual and powerful.

As you think about creating your enduring legacy, we hope Texas A&M is one of the organizations you choose to support.

The best way to give depends on your situation and should be discussed with your attorney, accountant, or finacial advisor. The Texas A&M Foundation Office of Gift Planning team is ready to work with you and your advisors, in confidence and without obligation, to help you explore and achieve your personal, financial, and philanthropic goals.





We are here to *help*!

If you'd like to know more about establishing an endowed fund with a charitable gift in your will, or other gift plan, please contact the *Office of Gift Planning at the Texas* A&M Foundation.

We can provide you with planning tools and information on all the ways that you can benefit yourself, your family and Texas A&M. With a little research and some planning, you will be able to leave a legacy that inspires others for years to come.



Texas A&M Foundation - Office of Gift Planninggiftplanning@txamfoundation.com| Main: (979) 845-8161| Toll Free: (800) 392-3310txamfoundation.com/plan