Dr. and Mrs. John B. Ponder – A Gift With a Return

When Dr. John B. Ponder, Jr. (’57) and his wife, Mary Joyce, discussed making a gift to the School of Dentistry, they discovered establishing a charitable gift annuity could accomplish several goals. It made even more sense when their daughter, Elizabeth, UAB’s Director of Planned Giving, pointed out the benefits of a charitable deduction and the ease of making the gift.

The Birmingham couple entered into an agreement with the UAB Educational Foundation for $25,000. The Ponders will receive a fixed annual annuity payment of $1,400 (approximately a 5.6 percent payout rate) for both their lives. When the surviving spouse passes, the remainder of the gift annuity will benefit the School of Dentistry. It’s a win-win for the Ponders and UAB Dentistry.

“Our first goal was philanthropic. We wanted to help the school,” says Dr. Ponder. “There are so many tax advantages. There was no sense in the money sitting in our bank account earning low money market or CD returns. It’s a great option. A gift that gives back,” he explains.

Dr. Ponder says his dental education and hands-on training made it possible for him to earn a decent living and send his children to college. The skills he learned were the best anywhere. “When I was in the armed services after dental school, I was surprised how much more training our graduates had than the other schools,” he says. “Our exam scores were number one nationally my senior year. We had to do a lot more work than other dental students. I enjoyed school. It was hard, but I liked it.”

For more information on how you and your family can take advantage of a charitable gift annuity to benefit the UAB School of Dentistry, contact J. Scott Huffman, CFRE, UAB School of Dentistry Executive Director of Development, at (205) 934-3601 or shuffman@uab.edu, or Elizabeth A. Ponder, UAB Director of Planned Giving, at (205) 934-0759 or eponder@uab.edu.
Cut Costs Without Cutting Corners
Wrong and Right Ways to Save When Estate Planning

Everyone likes to save money. A popular way to cut costs is by surfing the Web for deals and inexpensive do-it-yourself project ideas. Bypassing an attorney to purchase an estate planning document from the Internet, however, isn’t one of the smart ways to save. In fact, it may cost you much more.

Example: Family Plans Gone Wrong
To save some money, Alice and Ben purchase estate planning software and create their wills themselves. They properly name a guardian for their two young children, sign the wills and place them in a safe-deposit box. Unfortunately, they do not execute the documents correctly.

Ten years later, Alice and Ben are killed in a car accident. Their do-it-yourself wills are filed with the probate court, but are invalidated because they were improperly executed. Their estates are probated as if they died without wills.

After a lengthy and expensive court battle between family and friends, the court determines that it is in the best interest of the children to appoint a different guardian than the one named in the DIY will. Because of the expensive litigation, the kids also end up with less money than if Alice and Ben had consulted an estate planning attorney.

Minimize Legal Fees With Time-Saving Tricks
To save money when creating or updating your estate plan, instead of looking to DIY documents, consider these strategies you can implement to cut down on legal costs:

1. **Become an educated consumer.** Read books and browse the Web to learn more about estate planning prior to meeting with your attorney, saving him or her from having to explain the basics. This is especially useful if your attorney charges by the hour – every minute you save is less money out of your pocket.

2. **Think and discuss.** Take time to think about how you would like your assets distributed when you pass away. Then discuss your wishes with close family and friends. By doing this up front, you can save costs that may arise from having to update your estate plan later.

3. **Complete an estate planning questionnaire.** This document, which you can request from your attorney, requires you to think about and fill in certain information about your family and assets before you meet. This allows you to fill it out on your time, not billable time.
Don’t Miss This Opportunity!
Help Others With a Tax-Free Gift From Your IRA

Are you 70½ or older? Congress recently reinstated a law that allows you to move up to $100,000 from your IRA directly to a qualified charity such as ours without having to pay income taxes on the money.

Known as the IRA charitable rollover, this law has been extended to the end of 2013. Your gift will qualify under this law if:
• You are age 70½ or older at the time of your gift.
• You transfer up to $100,000 directly from your IRA. This opportunity applies only to IRAs and not other types of retirement plans.
• You transfer funds outright to one or more qualified charities. The legislation does not permit direct transfers to charitable trusts, donor advised funds, charitable gift annuities or supporting organizations.
• You make your gift by Dec. 31, 2013.

Why Consider This Donation Option?
• The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your tax deductions.
• If you have not yet taken your required minimum distribution for the year, your IRA charitable rollover gift can satisfy all or part of that requirement.
• Your gift will be put to use today, allowing you to see the difference your donation is making.

It is wise to consult with your tax professionals if you are contemplating a gift under the IRA charitable rollover law.

An Alternative if You Are Under Age 70½
If you don’t meet the age requirement for the IRA charitable rollover, you have another tax-wise option to consider: Name us as the beneficiary of your IRA.

Retirement plan assets are subject to substantial income and possible estate taxes when given to any individual other than your spouse after your lifetime. Charitable organizations such as ours, however, pay no taxes. Therefore, it can prove beneficial to leave these highly taxed assets to us and other assets that are not as heavily taxed, such as real estate and life insurance, to loved ones.

Get Your FREE Guide!
Uncover additional details on getting the most from your retirement plan assets by requesting our FREE guide A Tax-Smart Way to Give Through Your IRA using the enclosed survey.

If you have any questions about using your IRA to make a tax-wise gift to our organization, please contact us. We look forward to hearing from you.

The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income taxes include federal taxes only. State income/estate taxes or state law may impact your results.
What to Know About Your Family Finances

When was the last time you checked the balances on your family’s accounts? Do you know how?

To protect yourself and your family, it’s essential that you be knowledgeable about your financial and estate plans. Take this quiz to see how much you know.

When and how do you pay bills? Approximately when are various bills due? Do you pay them online or do you mail them in?

What are your assets? These could include savings, checking and retirement accounts; investments; life insurance; business or trust assets; and real estate or other property.

What is your financial plan? Do you have a strategy for saving for upcoming events, unexpected circumstances, retirement and charitable giving?

What is your estate plan? Do you know what will happen when you or your spouse passes away? Do you know where to find documents pertaining to your estate plan and how you will cover expenses? Who are your beneficiaries? How will you leave a legacy?

Finding Answers

If you found yourself drawing a blank on any of these questions, learn more about your finances by talking with your family. When you share your knowledge with each other, you can look to the future with confidence.

Make a Difference: Next Steps

REQUEST our FREE guide
A Tax-Smart Way to Give Through Your IRA using the enclosed survey.

VISIT our website to learn more about our mission and how you can provide support.

CONTACT us to make a gift to support the School of Dentistry. We look forward to hearing from you.

Dr. Charles A. McCallum, Jr.
Planned Giving Society Members
Dr. Walter Andrews,
Dr. William and Sue Beall
Dr. Charles Black, III
Dr. Mary Lynne Capilouto
Dr. Lori M. Gearhart
Dr. Margaret Klapper
Dr. Randall Latiffe
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Dr. George Lewis Mitchell, Jr.
Dr. and Mrs. John B. Ponder
Dr. James Staats
Dr. Frank Williams, Jr.
Dr. and Mrs. William Wright
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