

# LEGACY FOR LIBERTY

WINTER 2011

*That's the American Way*

## PRIME TIME FOR PLANNING

A new year symbolizes a new beginning, a time of renewal and resolution. You might find it a good time to review and update your financial plans in light of recent tax law changes and/or changes that might have occurred in your life.

Just as an annual checkup with your doctor helps maintain your physical health, regular checkups of your will, living trust, or other estate plans can help maintain good financial health.

### WHERE TO BEGIN

When you own property, you deserve the protection of a comprehensive annual review to reflect changes in your circle of loved ones, financial circumstances, and the nation's tax laws.

You can begin your review by making a list of your assets, defining your goals, and setting out your plans. Then contact your financial advisors and attorney to complete the process.

### PROVIDE FOR OTHERS

In addition to distributing your assets to loved ones, an effective estate and financial plan can also serve as a creative vehicle through which to make meaningful gifts to organizations whose work you value, including PFAW or PFAW Foundation.

After first taking care of loved ones, your gift may take the form of all or a portion of the residue, a percentage, or a specific amount.

### DON'T DELAY

Balancing your hopes for the future with realistic plans for today can be very satisfying. Your financial well-being and your desire to benefit organizations like PFAW or PFAW Foundation can often work together in surprising and welcome ways.

If we can help in any way with the charitable aspects of your plans, please let us know.

## INSIDE:

- Take charge of your plans
- Make the best use of professionals
- Update on new tax law
- Donor profile: Dennis and Carol Preston

Please visit our website: [pfaw.aboutgiving.net](http://pfaw.aboutgiving.net)



 PEOPLE  
FOR THE  
AMERICAN  
WAY

 PEOPLE  
FOR THE  
AMERICAN  
WAY  
FOUNDATION

## TAKE CHARGE OF YOUR PLANS

---

A well-planned will is often the centerpiece of an effective and thoughtful estate plan. When preparing or revising a will, one makes important choices that make it possible to fulfill personal wishes, such as:

- Distributing cash, investments, real estate, and personal property to family and other loved ones.
- Providing property management for heirs who may not be prepared to manage their financial affairs.
- Reducing taxes and estate settlement costs that could otherwise be due.
- Making gifts of a lifetime to PFAW or PFAW Foundation and other trusted nonprofits.

By preparing and maintaining an up-to-date will, you may save your heirs from problems that could arise if you fail to plan. Here are the answers to some questions you may have about the will planning process.

### Q. Who needs a will?

A. In most cases, anyone who owns any property and is concerned about who ultimately receives it needs a will.

### Q. Do both spouses need wills?

A. Yes, they share the same need for making wills, even if much of their property is held jointly.

### Q. What if my will no longer meets my needs?

A. You should review your will periodically and update it to reflect changes in your life—marriages, births, deaths, financial gains or losses, and your personal goals. Tax law changes may also prompt a review of your plans.

Minor changes can be accomplished through a *codicil*, a simple amendment to an existing will. More substantial changes may require the drafting of a new will.

Whether the changes are minor or extensive, always consult with your attorney when considering a revision, as handwritten changes may completely invalidate your will.

### Q. How do I include gifts to charitable interests in my will?

A. There are a number of ways to include charitable gifts with your estate plans. Gifts can take the following forms:

- *All or a portion of the residue:* You can provide that charitable gifts be made from what is left after all other gifts to loved ones have been fulfilled. This is called a “residuary gift.”
- *A percentage:* A percentage of your estate can be designated for charitable purposes, thus ensuring that your gifts remain in proportion to other bequests.
- *A specific amount:* You can designate that a particular dollar amount be transferred to one or more charities.

There is no time like the present when it comes to creating or updating your estate plans. Experience the peace of mind that can come from taking control of the future in ways that will benefit you, your loved ones, and your favorite causes.

## UPDATES ON THE NEW TAX LAW

---

As a result of recent legislation by Congress, additional giving opportunities now exist for those who wish to include PFAW, PFAW Foundation, and other trusted organizations in their plans.

- Give directly to PFAW Foundation from a traditional or Roth IRA free of federal income tax.
- Give directly from your IRA without increasing your adjusted gross income and possibly subjecting your Social Security income to a higher level of taxation.
- Estates worth more than the exempted amount may be taxed at a maximum 35 percent estate tax rate.

- Those with estates greater than \$5 million (or \$10 million for married couples) can multiply their exemption through effective charitable planning.
- Federal gift tax and estate taxes have been different since 2002 with a lower exemption for amounts given during lifetime. Under the new law, the taxes will once again be the same, making it possible to give up to \$5 million during lifetime or at death.

The 35 percent tax rate also will apply to amounts given to others during lifetime in excess of the \$5 million gift tax exemption.

If you have questions, return the enclosed reply card or call us at 800-714-7730.

## MAKING THE BEST USE OF PROFESSIONALS

Attorneys are trained to draft wills and trusts, and can often help reduce taxes and other expenses and maximize the amount your heirs will receive.

The services of an attorney whose practice is devoted to estate planning should be sought when drawing up or revising an estate plan. If you do not have an attorney, ask friends or relatives, or your local bar association for recommendations.

Because state laws govern wills, trusts, and certain other methods of transfer, it is advisable to retain an attorney who practices in the state where you legally reside.

### ADDITIONAL HELP

When trusts or other financial management vehicles are in use, a bank trust officer plays an important role. In addition, your accountant may be uniquely equipped to suggest ways to plan for greatest tax savings.

A life insurance professional, real estate broker, financial planner, or investment counselor may also be excellent sources of information and assistance to help you form the best overall estate plan.

### REVIEW REGULARLY

Discuss fees with your planners in advance; they expect this. Then carefully consider their suggestions to help put your plans into action.

Once your plans are in place, regular reviews will assure that your wishes are kept up to date. Always consult your advisors if you believe changes are in order. It is usually not wise to attempt to make changes yourself as you may invalidate an entire will, trust, or other document.



Pictured here (from L to R): Jason Abel, Senate Rules and Administration Committee Chief Counsel to Chairman Charles Schumer, and Sergio Lopez, Field Organizer for PFAW.

On December 9, 2010, People For the American Way delivered to Senate Rules Committee Chairman Charles Schumer more than 25,000 petitions urging the Senate to consider and pass the DISCLOSE Act.

### IF YOU DON'T HAVE A WILL...

- State laws dictate that no one outside your family can receive your property.
- Family members receive pre-determined shares, regardless of need or merit.
- No cause or organization can receive any of the property you may have intended for charitable use.



Working with its Young People For (YP4) program, People For the American Way Foundation empowers the newest generations of skilled, forward-thinking leaders who will lead with progressive values, make progress in their communities today, and create sustainable change over the long term.

## SHARING MANY PASSIONS

Dennis and Carol Preston are an inspiring couple who share a passion for words, food, travel, politics, and each other. Dennis is a sociolinguist who studies how language is used by different social groups. He is Regents Professor at Oklahoma State University and University Distinguished Professor Emeritus at Michigan State University. Carol, now retired after a career teaching English as a second language, is his chief editor and travels with him on many guest lectures around the world.

Of all the words in the world, we wanted to know which one was his favorite. “My favorite word is the Spanish word for meatballs: albóndigas. It just sounds like a meatball. Other words don’t sound like what they describe, but albóndigas sounds right.”

### WORDS BROUGHT THEM TOGETHER

Dennis was administering a new adult basic education program through the University of Wisconsin-Milwaukee and was looking for an expert who could help fill some holes in the curriculum. He called a colleague at Georgetown University, who said, “Boy, are you in luck!” He was referring to Carol, who had just completed an MAT program in teaching English as a second language or dialect. Carol, who had an undergraduate degree in Spanish and had taught in the Milwaukee public school system, was looking for specific training in ESL and jumped at the opportunity to go to Georgetown. “I hired her and later I married her,” said Dennis. They married in January of 1974.

### LOVE OF TRAVEL

Because Dennis regularly speaks at conferences around the world, the couple has friends from all over. Their favorite travel spot is “any place that we haven’t been yet. We like to be with local people and see how they live their lives.”



Dennis and Carol Preston

### POLITICS

“We’re a couple of old liberals,” said Dennis. They consider themselves very political and generally agree on most issues, “although we sometimes disagree on some minor tactical differences.” The grandchildren of Eastern and Southern Europeans, their political opinions are partly informed by an immigrant working-class background. Dennis and Carol are also concerned about the “paranoid anti-government rhetoric” during the last election and “an apparent American inability to see the connection between poverty and social unrest.”

### PFAW IN ESTATE PLANS

Dennis and Carol have been members of PFAW since 1985. Around the age of 60, they began to think about their estate plans. Although they were quite sure about leaving a planned gift to the Linguistic Society of America, they began to think about other organizations they trusted. “We started sorting through our list of good causes, and People For the American Way came right to the top. We are concerned about the way our country is drifting, and we see PFAW as one of its protectors.”

### LEARN MORE

Like the Prestons, you too can play a vital role in keeping the promise of America real for every American. To learn more about making a gift through your will or other estate plans, please call Bray Creech, Planned Giving Manager, at the number below or go to our website: [www.pfaw.aboutgiving.net](http://www.pfaw.aboutgiving.net).



### FOR MORE INFORMATION, PLEASE CONTACT:

Bray Creech  
People For the American Way  
People For the American Way Foundation  
2000 M Street NW • Suite 400  
Washington, DC 20036-3315  
800-714-7730 • (202) 467-4999  
[bcreech@pfaw.org](mailto:bcreech@pfaw.org)  
[pfaw.aboutgiving.net](http://pfaw.aboutgiving.net)

