
UCLA FIRST CENTURY SOCIETY

“UCLA is fortunate to have enormously dedicated benefactors supporting its advancement at every step, including many who have chosen to secure its future through deferred gifts. To honor the commitment of these generous benefactors, we have created the First Century Society.

We are deeply grateful for the strong bond the society’s members share with the university and for the special legacies they are building on our campus. With your help, UCLA’s second century will be as extraordinary as its first.”

Gene D. Block
Chancellor

END-OF-YEAR FINANCIAL PLANNING

Minimize Tax on IRA Distributions, Fulfill Your Charitable Goals

This provision, set to expire at the end of 2011, may be a strategic way to support UCLA while meeting your financial goals through a Charitable IRA distribution.

Through the end of 2011, you can distribute any amount up to $100,000 from your IRA (traditional or Roth) to The UCLA Foundation. This amount will qualify toward your required minimum distribution for 2011, and it will not be treated as taxable income.

You must be 70½ or older at the time of the distribution.

Distribution must be made directly to a qualified charitable institution (such as UCLA).

Request a direct distribution from your IRA (in any amount, up to $100,000) to The UCLA Foundation.

A couple with separate IRAs can make gifts of up to $100,000 each.

Note: Please consult with your tax advisor before making an IRA distribution or setting up a charitable gift annuity.

Should You Share Your Plans?

If you have included UCLA in your plans (or intend to), please let us know:

UCLA would like to make sure your wishes are understood and that your bequest will be used as you intend.

We can provide you with sample bequest language if desired.

The university would like to thank you and include you in our legacy group, First Century Society.

UCLA handles all gift and bequest communications with the utmost care and confidentiality.

ARE YOUR ESTATE PLANS UP TO DATE?

Assessing The Need to Update Your Plans

Periodically reviewing your will and other estate plans can ensure that your goals are fulfilled. Consider the factors below to determine whether an update may be in order:

• Does your will fully express your wishes?
• Do you understand how the real estate you own is titled?
• Do you understand the tax and other implications of joint ownership?
• Do you know who will be appointed to oversee the settlement of your estate and the eventual distribution of assets?
• Have you provided for the transfer of any remaining retirement plan assets after your lifetime?
• Do you have any concerns about costs and delays in transferring property to your spouse or others?
• If you have a revocable living trust, have you provided for its management and distribution of your property.

Even the most comprehensive plans can become inadequate over time and are only effective if they express your current wishes about the future management and distribution of your property.

Has Your Will Adapted to External Changes?

Recent tax law revisions, the economy, and other factors may have affected your current and long-term financial plans. For instance, the amount you can transfer free of federal tax to loved ones during your lifetime, or through your estate, has been temporarily increased. Your plans may need a revision so that heirs will receive the maximum amounts possible, free of tax.

Making or updating your plans in light of changes in applicable law can thus be central to ensuring that your wishes are met. You may also be surprised to learn that there are ways to provide enhanced financial security for yourself, a spouse, or others while creating for a special legacy that will support programs that interest you at UCLA.

INSIGHTS & OPTIONS

Estate & Gift Planning News and Ideas

INSIDE THIS ISSUE

Are your estate plans still up to date?
Building your legacy
Honoring UCLA's donors and our First Century Society

YOUR LEGACY MATTERS

• 17 Nobel Prizes, 3 Pulitzers
• 10 national Medals of Science
• A top-5 U.S. hospital
• A top-3 U.S. public university, in national and international rankings
• 214 Olympic medals
• 125 national championships
• 107 NCAA team championships

UCLA: Your Legacy in Action

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

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INSIGHTS & OPTIONS

Write us at: Office of Planned and Major Gifts
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Los Angeles, CA 90024
(800) 737-UCLA (8252)
Visit us at: www.legacy.ucla.edu
Email us at: giftplanning@support.ucla.edu
FACTORS THAT CALL FOR CHANGE

\( \square \) Estate and gift taxes
Effective January 1, 2011, the maximum estate tax rate was lowered and the level at which federal estate taxes apply was raised. This means a reduced tax burden for many Americans. As a result, more assets may be available for loved ones and charitable interests.

\( \square \) A move to another state
Your new state of residence may have different estate or gift tax laws than your former state.

\( \square \) Financial changes
If the value of your assets has changed, you may wish to consider how this affects your plans.

\( \square \) Changes in your family
With a change in marital status, birth of a child or grandchild, or a change in a loved one’s circumstances, you may want to update your will and estate plans.

\( \square \) Charitable goals
Changes in your charitable interests over time may also necessitate revisions in your will and other plans.

Note: If these factors do not affect you, your will may still need to be reviewed by your advisor to make certain your intentions are realized and that the person you have named as executor is still able and willing to serve.

GENEROUS BEQUEST FROM UCLA ADMINISTRATOR

When he announced his June 2011 retirement, Dr. Thomas Lifka also revealed his generous bequest in support of UCLA’s Department of History. In a recent conversation, he explained the motivation and goals behind his legacy gift. Here is an excerpt of Dr. Lifka’s comments:

“Over ten years ago, I prepared a will naming UCLA as sole beneficiary of my estate with the intent of endowing a chair in the History Department. UCLA enabled me to fulfill my career aspiration to be the chief enrollment officer at a major university and I want to express my appreciation for this success. I also feel that I would never have achieved anything if not for the serious study of history. I love wanted history since I was a small boy and it became the impetus for my entire education and career. I was a history major at Northwestern University, and then earned a Ph.D. at Harvard University in that discipline. Though I came here as an administrator, UCLA’s History Department made it possible for me to teach whenever I could manage it. Teaching periodically was one way to give back to all the teachers and faculty I had studied under. My graduate education was funded by Harvard, the Danforth Foundation, and the Woodrow Wilson Foundation. I felt a responsibility to give back, considering how much had been given to me.

The chair would be in my name. I stated my preference for research and expertise in the history of Central and Eastern Europe and the countries of the former Soviet Union because of my Czech and German background and my lifelong interest in that part of the world. Another stipulation is that whoever holds the chair must teach at least two undergraduate courses a year. My will is set up so that endowing this full professorship is the highest priority.”

LEGACY AND FINANCIAL SECURITY

Insights & Options recently asked a few legacy-related questions of Mr. Norman Powell, a UCLA alumnus, long-time donor, and the son of Dr. Lawrence C. Powell, the UCLA librarian after whom the Powell Library was named. Here is an excerpt of Mr. Powell’s comments:

“When my father was a junior librarian in the 1940s, he would take me and my brother to the UCLA Library on weekends when it operated with a reduced staff that he called the skeleton crew. While he worked, we explored the many dimly lit levels of the library stacks looking for a skeleton. So I became acquainted with the UCLA Library at an early age.

Later, I attended UCLA and majored in Earth Physics. By the time I started supporting charitable interests, I had retired from a successful career in the oil and gas industry, and I was looking for a good way to generate income from accumulated investments and IRA withdrawals.

I wanted to protect my nest egg, not try to grow it and risk losing it. When I found out about the UCLA charitable gift annuities, I decided it was a wonderful way to give for a good cause and pay taxes. I especially like the fact that our payments are backed by all of UCLA’s available assets. I saw I could fund a gift annuity that would pay me and Armena, my wife, for the rest of both our lives at 5 or 6%, plus the benefit of the tax deduction. I decided it was a wonderful opportunity. We have used gifts from life insurance and retirement accounts as our sources. We use those gifts and our gifts from life insurance and retirement accounts as our sources. We use those gifts to supplement our annuity payments, which are now used to support our charity.

I think that’s the best way to do it.”

OTHER WAYS TO BUILD YOUR LEGACY WITH UCLA

Thoughtful estate planning can help you create a meaningful legacy that champions the UCLA programs you wish to support, while providing future income, reducing or eliminating taxes and enjoying other special benefits. Here are a few examples:

\( \square \) Gifts from retirement plans
An IRA may be a convenient gift source as these funds can be more heavily taxed than other assets when left to loved ones. Through the end of the year, there is also a provision allowing those ages 70 1/2 and older to make immediate tax-free gifts from traditional and Roth IRAs.

\( \square \) Gifts from life insurance
You can make immediate gifts using the value of life insurance policies that are no longer needed for their original purpose, or name UCLA as a beneficiary of any of a portion of future policy proceeds. This requires a simple change in your beneficiary designation form.

\( \square \) Charitable gift annuities
Many alumni and friends have chosen to establish a UCLA charitable gift annuity. Individuals who choose to give this way enjoy income and tax savings while making a gift that might not otherwise be possible. Rates generally increase with age.

GIFT ANNUITY PAYMENT RATES FOR ONE PERSON

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<th>Age</th>
<th>90% Rate</th>
<th>75% Rate</th>
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Note: Check with a trusted advisor regarding these options and how they best apply to you.