

Financial planning  
ideas for

# Our Family our future

## Changing With the Times

**R**ecent years have been ones of tremendous change. Tax law revisions, changes in the economy and other events may have greatly affected your long-term financial plans.

When was the last time you updated your will? Even the best plan needs to be reviewed and updated over time. Many events can affect your will or other estate plans. The birth of a child or grandchild is one example. A move to another state or the loss of a loved one are others. Even changes in the value of your assets may necessitate a revision of your will.

### Did Congress change your will?

Tax laws can also affect your plans. As part of the recently enacted legislation, Congress has brought welcome certainty in the area of estate and gift taxes. Most persons will be able to make their estate plans with less concern for federal taxes on amounts left to loved ones.

With no federal tax due, many may be surprised to learn they can increase amounts left to heirs while making the same or larger gifts for charitable purposes through their estates.

Most changes in personal and philanthropic goals can be anticipated and provided for through careful planning.

### Looking ahead

Pausing now and taking the time to look ahead can help prevent confusion concerning



Since it began in spring 1983, the Youth Villages 5K has raised more than \$2 million to benefit the children of Youth Villages. In 2013, the race marks its 31st year and is the oldest 5K race in Memphis. Pictured here, from 1985, are runners eager to get the race underway.

your intentions as well as unnecessary delay in implementing them.

If you will be revisiting your plans in light of the new tax law, we will be pleased to assist you and your advisors as you consider the charitable aspects of your will and other plans.

## INSIDE:

- Including Youth Villages in Your Plans
- IRA Gifts Are Back

# Including Youth Villages in Your Plans

**M**any of our friends have included Youth Villages as part of their long-term estate and financial plans. Here are suggestions of ways to accomplish this, whether through your will or through the use of other planning tools:

**Residue:** This is a gift of what remains in an estate after other distributions have been fulfilled.

**Fixed amount:** A specific dollar amount may be given. This can be a useful alternative when funding a particular need.

**Percentage:** Providing for a percentage of your estate to be used by Youth Villages allows your gift to remain in proportion to the size of your estate.

Whatever form you choose for your gifts, make certain that the correct legal name of the intended recipient is used in order to avoid confusion and unnecessary delays. See the box at right for suggested language and other information to share with your advisor.

## Bequest Language

If you are considering a bequest to Youth Villages, here is some suggested wording to take to your attorney:

“After fulfilling all other specific provisions, I give, devise and bequeath \_\_\_\_\_% of the remainder [or \$\_\_\_\_\_] of my estate to Youth Villages, a charitable corporation [Tax ID #58-1716970] currently having offices at 3320 Brother Blvd., Memphis, Tennessee.”

## Andru Tries Again—and Gets Results

**A**ndru’s in his second stint in Youth Villages’ Transitional Living program, and it’s paying off. He’s enrolled in a local college, interviewing for jobs, working on money management and looking for an apartment. You could say he’s getting it together.

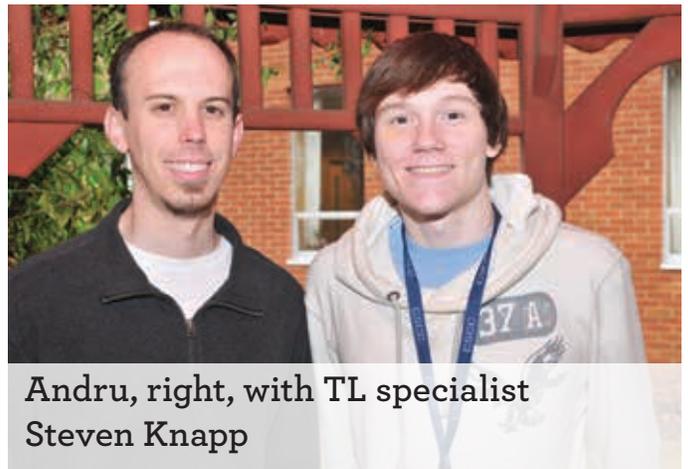
Not so long ago, that wasn’t the case.

Living in a car that would soon be taken away, Andru was in dire straits. He wanted to get out of foster care and do his own thing, but he trusted people who took advantage of him. During his senior year, he dropped out of high school.

“I was too trusting, and I learned the hard way,” Andru said. “I’ve worked at factories and other places, doing what I had to do.”

In addition to the money, part of Andru’s struggle back was personal. He had to learn how to be his own advocate. Transitional Living specialist Stephen Knapp helped.

“Before, I was more passive about things happening to me,” Andru said. “Now I’m not shy about asking questions or asking for help.”



Andru, right, with TL specialist Stephen Knapp

In addition to the GED, Stephen helped Andru with other adult necessities, such as getting health insurance, managing money, finding employment and going to college.

“Now that I look back, I have grown a lot in a short amount of time,” Andru said. “Without Youth Villages, I don’t know if I’d be in college—maybe later, but not now. I’d probably just be working in a job without much of a future.”

# IRA Gifts Are Back

**A**s part of the American Taxpayer Relief Act of 2012 (ATRA), you can once again make tax-free gifts in 2013 directly from a traditional or Roth IRA. For gifts completed this year, you are allowed to direct that all or a portion of your mandatory withdrawal amount (or another amount up to \$100,000) be used to make gifts to Youth Villages on a totally tax-free basis.

This provision can be especially attractive if withdrawal amounts now cause your Social Security income to be taxed at higher rates, if you have reached the limit for how much you can deduct, if your state does not allow deductions for charitable gifts and in certain other circumstances.

Check with your plan administrator or other advisors for more information on how to make gifts in this way.

## American Taxpayer Relief Act + Dow = Tax-Wise Giving

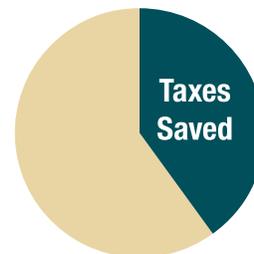


**Marler Stone**

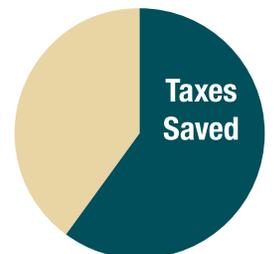
**A** new tax law. The Dow at record levels. Combine these two and the result is a tax-wise way to provide support to Youth Villages.

As of January 1 of this year, there are new, higher capital gains tax rates for certain individuals. The good news? New, higher capital gains tax rates can mean even greater savings for those who enjoy making charitable gifts. Why? Because gifts of stocks, bonds or mutual funds and certain other property are generally deductible at their full value if they have been owned for longer than a year.

The cost of such gifts can be even less than a comparable gift of cash. As the new 3.8 percent Medicare contribution tax is also not due on amounts given to charity, those subject to that tax will save even more (see the chart at right.)



**Gift of Cash**



**Gift of Appreciated Property**

### More information

For more information or if I can help in any way, return the enclosed card or contact me at (901) 251-4820.

## Procedures for transferring securities to Youth Villages

**Wire to:** JP Morgan Chase Bank, New York, NY • **ABA Number:** 021000021

**For Credit to:** National Financial Services, LLC • Account #066196-221

**DTC#:** 0226 • **For the Benefit of:** Youth Villages Foundation Inc. • **FFC:** 627-000477

Please contact Richard Shaw at [richard.shaw@youthvillages.org](mailto:richard.shaw@youthvillages.org) or (901) 251-4807 in order to ensure your gift is acknowledged properly.

# Eric's Road to Success Much Smoother

“Now, our focus is on what he does right. It's a much better place to be.”

Just 12 years old, Eric is on his way toward success. Part of this success can be attributed to changes in the home. Another part of his success can be attributed to Youth Villages Family Counselor Cindy Swartz, who worked with the family.

Eric's grandparents, Pam and Peter, adopted many children over the years, and are now raising some of their children's children.

“We always wanted to adopt,” Pam said. “I had an aunt who adopted children and they were my cousins.”

Eric's early years were very unsettled, and it resulted in behavior issues. When he came to Pam and Peter's home, his older siblings quietly gave him the message that they didn't want him there.

“Eric wanted to be liked,” Pam said.

Cindy visited the home three times a week, sometimes more. Pam said it helped a lot to have Cindy to speak with concerning certain issues, come up with a plan and then follow through with it.

Eric felt left out a lot when he was younger, and he needed help dealing with that. But after working with Cindy, the tension in the home eased. Now, Eric enjoys drawing and reading. He's doing well at school.

“We caught him—Youth Villages caught him before he went off the cliff,” Pam said. “Before, our concern was on what he was doing that wasn't OK. Now, our focus is on what he does right. It's a much better place to be.”



Eric with grandparents Peter and Pam



**For planned giving information, please contact:**

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