It Was His Community, His Passion
Learn How One Resident Influenced Lives Through Young Harris College

Actions speak louder than words. James W. “Jim” Dobson Jr. was a man of his word—and deeds.

The Central, South Carolina, native and World War II Army veteran never attended Young Harris College, but like other things he believed in, it soon became a part of his legacy.

After receiving his Bachelor of Science degree at Clemson University and a Master of Science degree at the University of Georgia, Jim served 38 years as superintendent of UGA’s Georgia Mountain Experiment Station (now called the Georgia Mountain Research and Education Center) in Blairsville.

However, his career was not his greatest legacy. Jim devoted his life to family and public service and was well-known for his dedicated, active involvement in community life in Union County.

“Jim was known as the best civic leader in the area,” says Mary Colwell, a member of the YHC board of associates and treasurer of the Kiwanis Club of Blairsville. “He was involved in many organizations, including Kiwanis, and worked hard in all of them.”

Taking Care of Local Students First
Jim was also a strong advocate for education and Young Harris College, having served as a member and chair of the college’s board of associates, which primarily raises funds through the annual Local Scholarship Campaign to benefit local students attending YHC. “Jim always supported YHC because he knew the college took care of local students,” Mary says.

Jim died May 5, 2010, and as a result of careful estate planning, he left $40,000 in his will to benefit YHC’s Local Scholarship Campaign, a testament to his passions and beliefs.

An Advocate for Education
“Knowing Jim and the premium he placed on education, this gift came as no surprise,” says Jennifer McAfee, director of development and planned giving. “Jim was always helping others and by making a planned gift to the college, his legacy of generosity and kindness lives on.”

“Jim was the most community-minded person I knew. He firmly believed that every child needed an education,” says YHC Board of Associates Chair Rick Davenport, of Blairsville. “The difference between Jim and everyone else was Jim put this belief into action.”

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James W. “Jim” Dobson Jr.
Keep More of What’s Yours
And Preserve What Means the Most to You Today

Life changes—sometimes suddenly and unexpectedly. This is why we take precautions such as setting up a savings account or purchasing insurance. But what many people overlook is their will. As a matter of fact, 50 percent of American adults don’t have a will.* If you die without a will, you’ll be leaving decisions about the distribution of your estate up to the state in which you live—which means the people and organizations you love most won’t likely benefit from your estate the way you intend. Here you’ll learn how to properly set up this very important part of your life plan.

What Stage of Planning Are You In? Choose Your Path

Stage one I Don’t Yet Have a Will
Your will is probably the single most important legal document to have, regardless of your life circumstances or level of wealth. When you establish a will, you can control crucial decisions regarding legal affairs, the distribution of your assets and even how your life will be remembered.

STEP-BY-STEP: How to Create Your Will
• List all of your assets, and decide who you want to receive specific possessions or a share of your assets.
• Determine who will be your executor (a personal representative who will implement your wishes).
• Contact an attorney who specializes in estate planning to draft your will; then execute it according to the laws of your state before witnesses. (In some states, it must be notarized to be valid.)
• Keep it in a safe place and make sure others know where it is and will have access to it.

Stage two I Have a Will in Place
You’ve taken one very important step in substantially decreasing future worry for you or your loved ones. The information in your will, however, reflects the time when your will was created. It’s critical that you make sure your will stays up-to-date. Life changes that could affect your current will include:
• Grown kids.
• Births, deaths or changes in marital status.
• Changes in your estate’s value.
• Tax law changes.
• A move to another state.

STEP-BY-STEP: How to Update Your Will
• Locate a copy of your current will. (If you can’t find it, contact your estate planning attorney’s office and request a copy.)
• Mark the areas you would like to change.
• Meet with your estate planning attorney, who will use a codicil to change your existing will.

DID YOU KNOW?
When planning your estate, the legal advice from a qualified estate planning attorney will save you time, money and heartache down the road.

Next Steps for All Stages
Once your will is properly prepared, discuss these three documents with your estate planning attorney to further protect you and your loved ones.

- A durable power of attorney.
  This authorizes a trusted individual you choose to handle your financial affairs during your lifetime if you become unable to do so.
- A power of attorney for health care.
  This empowers someone you choose to make health care decisions on your behalf if you are unable to make them yourself.
- A living will.
  This tells people what life-sustaining medical treatment you want to receive, if any, if you become terminally ill and can no longer communicate your own decisions.

Giving Your IRA to Loved Ones? Think Carefully

While IRAs are excellent vehicles for accumulating assets for your use during retirement, much to many people's surprise, they are a far less attractive way to pass an inheritance to loved ones. Here's why.

The Tax Consequences of IRAs
When you name anyone other than your spouse as beneficiary of your IRA, it will be exposed to heavy taxation, leaving less for your heirs than you had hoped. Upon your death, the income tax bill can take as much as 35 percent, and that percentage can be even higher if your estate is subject to estate taxes.

A Charitable Solution
If you've thought about contributing to Young Harris College, consider giving IRA assets to us and giving other assets that are not as heavily taxed to family members. As a nonprofit organization, we are tax-exempt, so we can use 100 percent of your IRA. To get this process started:

1. Decide what percentage (1–100) you would like us to receive.
2. Contact your IRA administrator for a change-of-beneficiary form.
3. Name Young Harris College and the gift percentage on the form.
4. Return the form to your IRA administrator.
5. Let us know about your plans so we can thank you. (We will also honor your preference for anonymity).

If you have any questions about providing support to YHC through your IRA, please visit our website, www.yhc.edu/ rpa, and feel free to contact Jennifer McAfee, director of development and planned giving, at (706) 379-5318 or jmcafee@yhc.edu.

VISIT US ONLINE
Ensure your assets are distributed the way you intended by creating or updating your will. For more will planning tips, visit our website today at www.yhc.edu/ yourwill.
If you’re 70½ or older, there’s another—very tax-effective—charitable use for your IRA, but it’s only available until Dec. 31. For this year, Congress extended a law that allows individuals 70½ or older to make tax-free gifts now using funds transferred directly from their IRAs to qualified charitable organizations like Young Harris College. You can transfer any amount up to $100,000 through the end of 2011.

Your Benefits
• The transfer generates neither taxable income nor a tax deduction, so you don’t have to itemize to take advantage of this opportunity.
• The transfer may count against your unsatisfied required minimum distribution from your IRA.

We can’t thank you enough for your thoughtful support of our students. Your gift creates a lasting legacy of the values you cherish today.

• You can see firsthand the difference your philanthropic dollars make to YHC.

We Can Help
To learn more about this tax-smart option or to make a gift, please contact Jennifer McAfee, director of development and planned giving. We look forward to hearing from you.

How Will You Be Remembered? Start Your Plan Here

Request Your FREE Guide
Return the reply card for our new guide, A Tax-Smart Way to Give Through Your IRA.

Contact an Attorney
Ensure that your estate plans are done properly with the help of an estate planning attorney.

Contact Us
We’re happy to help you explore your giving options, without obligation.

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Take 15 Seconds to Request Your FREE Guide Today!

Please send me:

☐ A Tax-Smart Way to Give Through Your IRA.

I want to help:

☐ I've included Young Harris College in my estate plans (and haven’t previously notified you).
☐ I’m considering including a gift to Young Harris College in my estate plans.

Thank you for supporting our students and programs!

Name (Please print.)

Address

City, State ZIP

Telephone

Email

We respect your privacy! Information collected here will be kept strictly confidential. It will not be sold, rented, loaned or otherwise disclosed, and it will not be used in ways to which you have not consented.
If you are planning to make a charitable gift to us after your lifetime, consider leaving your taxable IRA assets to our organization so your family and friends will receive more of your other income tax-free assets (including cash, stock and real estate) from your estate. We will not be worse off—we are tax-exempt and will not have to pay tax on the IRA, allowing us to keep the full amount of the IRA distribution.

How It Works
- You name our organization as beneficiary on the beneficiary designation form from your IRA administrator.
- After your death, we will receive your gift without owing any taxes, allowing us to put the entire amount to use in supporting our mission. After your death, your heirs won’t have to report any taxable income from the distribution either.

Leaving Your IRA to Family and Charity
The best way to donate your IRA assets at your death is to name our organization as the beneficiary of all or a percentage of your IRA assets on your IRA beneficiary designation form.

If you would like to leave a percentage of your IRA to us and the remaining percentage to family members or friends, be aware that extra steps may be advisable. There are explicit rules for mandatory distributions from your IRA after your death.

One alternative is to establish a separate IRA for our organization. You can take part of your existing IRA and move it into a new IRA, naming us as the beneficiary. The best way to accomplish this is through a “direct rollover” or a “trustee-to-trustee transfer,” which avoids the 20 percent withholding tax that normally applies to most IRA distributions.

During your lifetime, the minimum distributions from your IRA are the same even when our organization is named as beneficiary. After your lifetime, however, the administrator should “cash out” our share of the IRA before Sept. 30 of the year that follows your death. Then, after we receive our share of your gift, only noncharitable beneficiaries are left, giving them greater flexibility to stretch out the receipt of their distributions and thereby deferring income taxes for those who choose to do so.

Your Next Step
You should see a professional tax advisor before you take any action. If you have questions about making a charitable gift, please feel free to contact our office, at no obligation.

Note: Your will does not govern your IRA, so the most important document related to your IRA is the beneficiary designation form you receive from your IRA administrator.
Did You Know?
You Can Once Again Make Tax-Free Gifts From Your IRA

If you are 70½ or older, under extended charitable IRA legislation, you may be eligible to make a tax-free gift now, using funds transferred directly from your IRA. Find out how below.

Making Gifts Now if You Are 70½ or Older
From now through Dec. 31, 2011, you can give up to $100,000 directly from your IRA to a qualified charity* such as ours without tax complications. Your spouse also can give $100,000 from his or her own IRA if he or she is 70½ or older on the day the gift is made.

To make your gift, simply contact your IRA administrator to make a direct transfer from your account to our organization. (This option excludes gifts made to fund charitable gift annuities and donor advised funds.) Be sure to have the administrator send the funds electronically or by check made payable to us. If the check is payable to you and then you deposit it to write a personal check for the charitable gift, you will not be eligible for the special tax breaks.

What if I’m Younger Than 70½?
You can make a charitable gift from an IRA during your lifetime, but the gift creates income tax issues. If you take distributions from your IRA—even if paid directly to a friend or to our organization rather than to you—you’ll have to report the distribution as taxable income on your tax return in the year of distribution.

The advantage of making a gift to us, however, is that there will be a charitable income tax deduction. Cash gifts are deductible, if you itemize, up to 50 percent of your adjusted gross income (AGI). If the gift is more than 50 percent of your AGI, you can carry over the unused amount for up to five additional years.

Income Taxes and Your IRA
Regardless of your age, an IRA can be one of the best assets to use for a charitable gift after your lifetime. Gifts from your IRA to a beneficiary upon your death are usually fully taxable as ordinary income except when left to a qualified charity like ours, making IRAs an exception to the rule that most inheritances are not considered taxable income to the beneficiary.

Did You Know?
You Can Once Again Make Tax-Free Gifts From Your IRA

* Does not include supporting organizations as defined under IRC 509(a)(3) or charitable trusts

Where Will Your IRA Go?
Consider the following example:
Kathryn’s total estate is $1 million, and all of it will be transferred to her sole heir, her daughter. If $100,000 in an IRA is distributed to her daughter, federal income tax would be roughly 35 percent ($35,000) on the $100,000 IRA.
If the $100,000 IRA is instead left to us, income taxes are eliminated and we receive the full $100,000.

Example: John wants to treat his two grandchildren, Denise and Matthew, equally. He leaves Denise $150,000 in stock that he had originally bought for $50,000, and for Matthew, he designates his $150,000 IRA. If John were to die, Denise would receive $150,000 in stock, and she would not have to pay any capital gains tax. In fact, she would obtain a “stepped-up” cost basis in the stock so that if she were to sell the stock later for $150,000, she would pay no capital gains tax.

By comparison, when Matthew receives the $150,000 from the IRA, the entire amount would be taxable income to him because IRA distributions are generally taxable, even after death.

Consequently, John would not treat his two grandchildren equally. Matthew would have less money than Denise after his income tax bill.