

Rethinking Retirement Plans A Strategic Way to Give

It has been over 20 years since the laws were enacted that established 401(k) plans and similar qualified retirement plans, and nearly 23 years since individual retirement accounts (IRAs) were expanded to include most workers. The Baby Boomers will be the first generation to spend the bulk of their working years under these types of retirement plans and may also be the first to use them widely for charitable purposes.

A gift of a lifetime

Some people find that as part of their estate and financial planning, it makes sense to designate a charity as beneficiary from what remains in their retirement plans at the end of their lifetime. Because these funds are included in the taxable estate and are also subject to income tax on receipt by the heirs (but not by charities), unused retirement plan assets are usually a better choice for funding charitable gifts while leaving other, more favorably taxed property to heirs. This is an extremely important strategy and should be thoroughly discussed with your advisor.

Pending legislation

For the past few years, IRA rollover legislation has been pending in Congress

that would make it possible to make tax-free transfers from IRAs — and from 401(k) plans rolled over to IRAs — to fund outright charitable gifts or charitable life-income plans, such as charitable gift annuities and charitable remainder trusts.

If the Public Good IRA Rollover Act (H.R.1607 and S.1366) passes, it will provide more flexible opportunities to combine retirement planning and philanthropic goals. KQED will inform you in future communications if the IRA Rollover passes.

Why wait

Using 1946 as the Baby Boom's starting point, the oldest members of this post-World War II generation turned 59½ this summer. This semi-birthday is important under various retirement plans, because it is the minimum age at which certain retirement funds may be withdrawn without paying a 10% penalty in addition to the income tax that would normally be due.

This means that even today, in most cases, outright gifts may be arranged from these plans in a fashion that would, in effect, lead to much the same tax result as under the proposed IRA Rollover. The charitable

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photo: Norman Varsky

Joan Baez and Bob Dylan

Baby Boomer Block

Return to the 60s with KQED TV September 26 through September 29. Monday and Tuesday at 9 pm, KQED airs the world premiere of **American Masters** *No Direction Home: Bob Dylan, A Martin Scorsese Picture*, which offers never-before-seen footage from Dylan's childhood, the road, and backstage, as well as unreleased interviews conducted over the past 15 years with other seminal figures from those times. Wednesday at 8 pm, KQED airs *Best of the Beatles*, the untold story of the Beatles' formative years, from original Beatles drummer Pete Best's perspective. *Get Up, Stand Up: The Story of Pop and Protest*, airs Wednesday at 9 pm, and *The Sixties: The Years That Shaped a Generation* airs Thursday at 9 pm.



photo: Amie Williams

A SweatX worker

Truly CA: Our State, Our Stories *No Sweat*

SweatX and American Apparel, two new Los Angeles clothing manufacturers, are committed to creating sweatshop-free clothing. In *No Sweat*, filmmaker Amie Williams follows these companies for one year, investigating whether they can survive in the tight economic conditions that have sent so much of their competition overseas. *No Sweat* airs on Channel 9 Sunday, September 25, at 6 pm. Visit www.kqed.org/dtv for air times on KQED Encore and KQED World.

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photo: The Kindling Group



A Doula Story

A *Doula Story* follows the work of Loretha Weisinger, a community-based doula, or birth attendant, as she mentors and advocates for young mothers-to-be and their children in the Chicago West Side neighborhood where she once struggled as a teen mother. *A Doula Story* will air on KQED Channel 9 on Sunday, October 2, at 5 pm.

Loretha comforts Shameeka through labor

A Charitable Annuity: The Gift That Pays

In exchange for a gift of \$10,000 or more, KQED will offer you (or you and your spouse) fixed annual payments for life.

Your age (and that of your spouse) determines the annuity rate that KQED can offer.

Some Sample Current Rates

Your Age	Annuity Rate
65	6.0%
75	7.1%
85	9.5%
90 ^{and over}	11.3%

(COUPLES)

Your Ages	Annuity Rate
67/65	5.7%
75/73	6.2%
85/83	7.6%
95/95 ^{and over}	11.1%

You can make a gift using cash, stock, or mutual funds. Your gift will bring you income for life and may benefit you by reducing your taxes. And it will provide meaningful support to KQED.

For more information, please return the enclosed reply card, or contact KQED's Gift Planning department at (415) 553-2230 or legacy@kqed.org. If you tell us your age(s), we will customize your proposal. You can also calculate your own benefits with our online calculator at www.kqed.org/giftannuities.

KQED Launches Two New Local Shows

This fall, KQED will launch two new local weekly half-hour series in the 7:30 pm weeknight slot, *The Josh Kornbluth Show* and *Check, Please! Bay Area*.

Josh Kornbluth, creator and star of the live one-man shows, *Love and Taxes*, *Red Diaper Baby*, *Benjamin Franklin: Unplugged*, among others, and of the play and film, *Haiku Tunnel*, hosts KQED's new interview program, *The Josh Kornbluth Show*. In conversation with the known and unknown personalities that add flavor and spice to life in the Bay Area, Josh will delve beneath the surface to reveal his guests' driving passions and explore their everyday lives. Josh's signature monologues will open and close every program, and each episode will also feature a "Wandering Josh" segment, in which Josh will venture out of the studio into different parts of the Bay Area.

Kicking off a new era of local production at KQED, the half-hour program premieres Monday, September 12, and will air Mondays

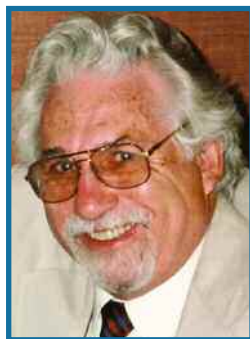
at 7:30 pm and Fridays at 10:30 pm on KQED 9. KQED will follow the broadcast premiere with another brand-new episode the following night, Tuesday, September 13, also at 7:30 pm. The program can also be seen on KQED digital channels and will be available at KQED On Demand. KQED.org will also host a blog by Josh, launching in early September.



On Thursday, November 3, at 7:30 pm, KQED premieres *Check, Please! Bay Area*. Based on a show out of Chicago, KQED's weekly restaurant review series features Bay Area residents discussing their dining experiences in a TV roundtable.

And don't forget to watch these weekly local favorites on KQED 9 — *Spark* on Wednesdays and *This Week In Northern California* on Fridays, both at 7:30 pm.

Conductor Gives Retirement Plan Assets



This year KQED received a generous bequest from the Leonard Pearlman Trust, funded in part by unused funds in Dr. Pearlman's retirement annuity account. A native of Winnipeg, Canada, Dr. Pearlman earned his medical degree at the University of Manitoba. However, his mother had introduced him early to music, and he learned that music was his true passion. He studied music in Vienna and

went on to conduct in Canada and then in the U.S., later becoming a professor of music at the University of Arizona. Wishing to live in an area of diversity and culture, Dr. Pearlman retired about 10 years ago to the Bay Area, where he became a KQED member and took classes at U.C. Berkeley until he died. He loved to read and traveled extensively, and he enjoyed KQED's news and public affairs programs. The proceeds from Dr. Pearlman's bequest will be added to the KQED Endowment to support the kind of informative programming he valued so highly.

Today's Interns, Tomorrow's Stars



photo: Jenny Doll

Interns Aditi Chokshi and Ariana Pekary

KQED is actively training the next generation of aspiring radio journalists. Since 2000, nearly 200 interns have successfully completed KQED's Radio Practical Training Program. This year more than 35 interns will work on KQED productions, including *Radio News*, *The California Report*, *Forum with Michael Krasny*, and *Pacific Time*. Interns are selected for a four-month term that begins in Fall, Spring, or Summer. This term's interns include students from San Francisco State University and Yale University, among others, as well as professionals exploring a new career.

Describing her tenure at KQED, Ariana Pekary says, "As an intern, I was left with no choice but to learn how to make radio. First with *The California Report*, and now with *Forum*, I have gained equal amounts of training and trial by fire — both of which are valuable in the world of broadcast news. This really isn't the sort of thing you learn in a classroom."

All interns complete practical radio training at the beginning of their term, including workshops on interviewing, writing for radio, gathering sound, and digital editing. They are also grounded in the unique mission of public radio journalism. Their intensive training, led by KQED Radio staff, will prepare them for their day-to-day responsibilities here and beyond.

On a typical day, a *Forum* intern will research program topics and conduct preliminary interviews of prospective guests. A *Pacific Time* intern, who may have traveled to San Francisco from outside the United States for his or her practical experience, will spend hours reading Asian news online to find an interesting and underreported story. *Radio News* and *The California Report* interns may search the Associated Press and various wires for breaking news, accompany reporters on interviews and gather sound, transcribe interviews, and assemble the first cut of a radio segment.

Stacy Bond, a *California Report* producer, wrote in a recent email message thanking the interns for their stellar contributions, "I'm not kidding when I say their resourcefulness, initiative, skill, and hard work helped us build a quality show during a rather hectic and difficult week." And Kat Snow, with *Radio News*, often praises her interns for their fast response to breaking news, which sometimes keeps them at the office well into the evening.

KQED has been fortunate to hire several former interns, including reporters Sarah Varney and Alex Cohen, among others. KQED radio interns have also advanced to careers at sister NPR stations around the country; for example, Tamara Keith now works for KPCC in Pasadena. Some former KQED interns have gone on to national prominence in public radio — notably, Jason Beaubien, who covers sub-Saharan Africa for NPR News, and Kai Ryssdal, host of *Marketplace*. KQED also offers TV internship opportunities for college students. One *Pacific Time* intern, Dongmei Li, switched tracks to TV news writing and now works for a local Chinese-language station.

You can learn more about KQED internships at www.kqed.org/about/internships. And prick up your ears when you hear program credits at the end of your favorite radio show. Today's KQED interns may be tomorrow's rising stars of public broadcasting!



photo: Jenny Doll

Legacy Society Members Take Pledge Calls

On August 4, Jonathan C. Rice Legacy Society members took pledge calls for KQED Channel 9. Barbara Sher joined the dedicated pledge volunteers in the studio to talk about her programs, *Barbara Sher – Creating Your Second Life After 40* and *Barbara Sher's Map to Success*.



photo: John Lizvey/NG13R

Maize god

National Geographic Specials: *Dawn of the Maya*

Dawn of the Maya, airing Wednesday, September 21, at 8 pm, examines exciting discoveries that show the Preclassic Maya were flourishing a thousand years before the Classic Maya period.

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photo: Photofest

Masterpiece Theatre *Sherlock Holmes: The Case of the Silk Stocking*

On Sunday, October 23, at 9 pm, Rupert Everett stars as Sherlock Holmes in a new mystery inspired by Sir Arthur Conan Doyle's immortal detective. Holmes comes out of retirement to solve a string of high society debutante disappearances.



photo: Tiger Aspect Productions/Laurie Spahrman

Great Performances: *From Shtetl to Swing*

On Thursday, October 6, at 9 pm, KQED 9 spotlights composer George Gershwin and other pioneers in this delightful look at the cross-pollination of Jewish and African-American musical influences — two traditions born out of exile and longing, both charged with energy and humor and defying all the rules. Written and directed by Fabienne Rousso-Lenoir, *From Shtetl to Swing* reveals how these musical heritages blossomed into a completely new, diverse musical lexicon. Harvey Fierstein hosts.

Visions

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Rethinking Retirement Plans (continued from page 1)

deduction would offset the income tax due on a gift funded with an IRA withdrawal — made after age 59½ to avoid the 10% withdrawal penalty — in effect, making the gift a “wash” for tax purposes. Note that the gift must be within 50% of adjusted gross income (AGI), and for some higher income taxpayers, it is prudent to consider the partial reduction of itemized deductions.

To be sure, wise financial advisors urge their “boomer” clients to leave their retirement plan assets alone and allow them to continue to grow tax free, ideally until they reach another odd tax-law-inspired half-birthday — 70½, the age at which the law typically calls for mandatory withdrawals to begin. However, while we certainly do not encourage anyone to draw unwisely from their nest egg, there may be circumstances under which it is appropriate to consider using excess retirement funds as another pocket from which to make current donations.

Another giving pocket

Suppose a couple, both over age 59½, and with an AGI of \$100,000, would like to make a very special gift of \$25,000 to KQED as an annual gift or as an added gift to the

KQED Endowment. They are looking for the best way to make their gift from a tax planning and cash flow perspective.

Assume this couple has a qualified retirement plan with a balance that has grown to nearly \$2 million, as well as other assets to support their retirement. Under today's laws, they can withdraw \$25,000 from their plan (a little more than 1% of their balance) and use it to make a gift which is fully deductible up to 50% of their AGI. Note that the withdrawal serves to raise their AGI to \$125,000, and the gift falls well within this 50% income tax charitable deduction limit. As a result, the couple makes a significant gift using retirement plan funds they expect never to need and that would eventually be subject to taxes upon a mandatory withdrawal in the future.

The Bottom Line

Qualified retirement plans offer flexible advantages: excess retirement benefits can be used to make outright gifts now or charitable bequests at the end of your lifetime. And they may one day soon be available to fund life income gifts, which can both support KQED and supplement your other retirement income.



For more information:

Mail the enclosed confidential reply card today to learn more about how you can turn excess retirement plan assets into a generous gift for KQED and obtain tax savings. We'll send you a copy of *Giving Through Retirement Plans*, along with our Legacy Gift brochure. You may also use the enclosed card to request a personalized illustration of how a charitable gift annuity would work for you.

If you prefer, you may write or phone:
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