

SPRING 2011

SPOTLIGHT

A PUBLICATION FOR SPECIAL FRIENDS OF THIRTEEN AND WLIW21

Dear Friends,

What a winter! We expect you have survived the snowstorms, bitter cold days, and icy sidewalks with the resolve and spirit of true northeasterners. And we hope that the programs you were able to tune in on THIRTEEN and WLIW21 were a help in getting you through the long stretches between sundown and dawn. Take heart; the days are getting longer, and pretty soon we'll be complaining about the heat.

Did you move during the past few months? We did; from our former offices on 33rd St. and 10th Ave. to our new, smaller but brighter, space at the

Worldwide Plaza building, 825 8th Ave. (50th St.). When you are in the neighborhood, stop by to say hello.

In this issue of *Spotlight* we feature the challenges facing the growing population of single people and the charitable gift strategies that can serve as their allies. Today “single” can



Credit: Joseph Sinnott/WNET

Outside the Tisch WNET studios at Lincoln Center, a young viewer joins Digit from our popular children's math series **CYBERCHASE**.

mean a variety of things. For estate-planning purposes it means not legally married according to state law. Of course, circumstances do change, and whatever your current status might be, this issue of *Spotlight* may be of great interest to you. We hope you will request our free booklet, and we would enjoy speaking with you—particularly if you are interested in including a gift to WNET in your plans!

Please call us at any time, and thank you again for your support.

Sincerely,

David Clough and John Matthews
Planned Giving Office
212.560.4989 or 212.560.6832 ■

Planning for the Single Person

Federal Estate Tax Modified

The gradual phase-out of the federal estate tax begun in 2001 was modified and extended by congress late in 2010. The amount that is exempt from tax is now \$5 million per person, and the top tax rate has been reduced to 35%. However, unless congress acts again these changes are set to expire at the end of 2012, so it is important to get in touch with your legal and financial advisors to explore how these changes will impact your financial, estate, and philanthropic plans.

Trimming the Tax Burden

Federal income tax can be especially onerous for single people: Their tax liability is higher than that of a married couple with the same total income. As a result, tax-saving measures can be especially valuable.

To determine tax liability, a taxpayer must choose between *taking the standard deduction* and *itemizing deductions*. For 2011, the standard deduction allows a single filer to deduct \$5,800 from income (singles over the age of 65 may deduct an additional \$1,450).

If actual itemized deductions exceed the standard amount, the excess produces tax savings proportional to the taxpayer's marginal tax bracket. So, a single taxpayer in the 28% bracket who claims \$1,000 in deductions beyond the standard amount will realize \$280 in savings.

Furthermore, it is often possible to increase current deductions through strategies in keeping with one's overall goals and objectives.

Keep in mind, also, that thoughtful planning of your investments can yield substantial tax savings. Not all income is taxable: Income from municipal bonds generally is exempt from federal income tax (and state income tax in the state in which the issuing



Credit: Courtesy of © BBC/MASTERPIECE Co-production

The saga continues with new characters in an update of the much-loved **MASTERPIECE** series **Upstairs Downstairs** (Sundays, April 10-24).

entity is located), and the tax on the income from Series EE savings bonds can be deferred.

Ensuring the Final Distribution

Some gift- and estate-tax planning options used by married persons are not available to singles. These include the unlimited deduction on transfers between spouses and gift-splitting to increase the annual tax-free amount of noncharitable gifts from \$13,000 to \$26,000 per donee.

Because of the smaller number of options open, single people perhaps must plan even more carefully than married people. This care extends especially to the planning of the single person's will.

Each state has its own laws for determining the distribution of an estate when there is no will. In the case of a married couple, these laws tend to favor a surviving spouse and children—based on the assumption that these are the individuals the estate owner probably would have wanted to benefit.

Such assumptions become much more difficult—and often much less valid—in the case of singles. If you have no surviving spouse or children, it may well be that you would want your property to go to a special friend or a favorite charity. Without a will, state law will never direct property to friends or charities you might have in mind.

To be sure your estate is distributed the way you want, spell out your wishes in a carefully constructed will or trust instrument. Also, review the beneficiaries you have named on life insurance



Credit: Graham Smith

Dr. Henry Louis Gates, Jr., visits Cuba on his new show **BLACK IN LATIN AMERICA** (Tuesdays, April 19-May 10).

policies from time to time to ensure that your desires are expressed appropriately.

Charitable Planning and the Single Person

The desire to help loved ones, the sense of self-sufficiency, and charitable objectives sometimes seem to compete. Careful planning, however, may actually bring these goals together with productive results.

Example: Ruth is a newly retired widow, aged 64. Among her assets are securities that she purchased years ago for \$80,000, which are now worth \$150,000. The securities pay annual dividends of about \$1,500—roughly 1% of their market value. If she were to sell the securities, significant erosion of the amount available for reinvestment would result from the tax on the \$70,000 capital gain.

She would like to make a major charitable gift to WNET but feels she needs all of her current income to continue to live comfortably. After conferring with her advisors and a member of our staff, Ruth decides to use the securities to fund a charitable

remainder unitrust that will pay her 5% of its annual value for the rest of her life. At her death, the trust assets will be transferred to us to support our continuing work.

Result: Ruth substantially increases her current spendable cash. In addition, she not only avoids paying any tax on the capital gain but also gets a current income-tax deduction of \$65,300. This deduction saves tax dollars—\$18,284 in her 28% bracket—freeing more additional funds for reinvestment. And, finally, she has the satisfaction of ensuring her charitable gift.

The Estate-Planning Challenge

Just as lifetime planning can be more challenging for singles, so, too, can be planning the distribution of an estate. The primary complicating factor is the absence of the marital deduction, which can shelter an entire estate from current taxation. As a result, the single person whose estate exceeds a certain threshold must be extremely careful in his or her planning to avoid an unnecessarily large tax bite being taken out of the estate.

Often a single person may want to provide for the immediate needs of someone such as a sibling, parent, or friend. Without proper planning, this can result in essentially a double tax. For example, if an entire estate were left outright to a brother, it could be taxed in the estates of both the owner and the brother.

One alternative might be to place the assets in trust for the benefit of the brother and provide for their ultimate distribution to other beneficiaries. Or the creation of a charitable remainder trust could take care of the brother's lifetime needs with the remainder meeting a charitable objective.



Credit: © Chris Morgan

These bear cubs follow their mother's every move, on the new **NATURE** three-part series about the bears of North America (Sundays, May 8-22).

Return this card for a free booklet!

- Please send me a complimentary copy of your new booklet, **Charitable Planning for Singles**.
- Please send me the free booklet **Create a Legacy**, a discussion of many ways to support future programming at THIRTEEN and WLIW21.
- I'd like a personalized illustration for a gift to THIRTEEN that pays income for life:

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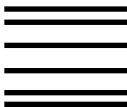
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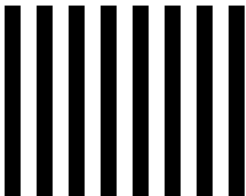


Photo by Bob Roney © Global Village Media

AMERICAN MASTERS, now in its 25th season, continues to celebrate the individuals and movements that have helped to form our cultural identity. On Earth Day the series presents a new film about environmentalist John Muir, portrayed here by Howard Weamer (Monday, April 18).

Travels with THIRTEEN

It's a globetrotting spring season on your PBS station! Return to 165 Eaton Place with **MASTERPIECE**, as Jean Marsh and a new cast continue the well-loved British drama *Upstairs Downstairs* (Sundays, April 10-24). Picking up in 1936, the lives of masters and servants have never been so

captivating. Later this spring, follow the loves and sorrows of the inhabitants of Yorkshire in the **MASTERPIECE** adaptation of Winifred Holtby's *South Riding* (Sundays, May 1-15).



Photo courtesy of Felix

The mysterious terracotta army of the Shaanxi Province in China is examined in depth on **Secrets of the Dead** (Wednesday, May 4).

Dr. Henry Louis Gates, Jr., treks across Latin America to the many places where African and

Hispanic cultures intersect on **BLACK IN LATIN AMERICA** (Tuesdays, April 19-May 10). **AMERICAN EXPERIENCE** travels into our shared past on *Soundtrack for a Revolution* (Monday, May 9), a chronicle of the American civil rights movement through its powerful music. The series continues this journey with *Freedom Riders* (Monday, May 16), an inspirational story of the men and women, black and white, who risked their lives to head south and challenge segregation with anti-violent demonstration in 1961.

NATURE takes us into the air with pelicans (Sunday, March 27), across the forests of Australia (Sunday, April 17), and upstream with salmon (Sunday, May 1). Then the series is off to Alaska for a three-part series on the bears of North America (Sundays, May 8-22). **AMERICAN MASTERS** celebrates Earth Day with the story of John Muir, father of the environmental movement (Monday, April 18). And **NOVA** looks to the future and how technology might solve our energy crisis (Wednesday, April 20).

Of course these are only a few of the new programs coming to THIRTEEN. And don't forget to look for many of these programs at alternate times on WLIW21, our digital channel WORLD, or at www.thirteen.org whenever you want to visit us online.

SPOTLIGHT

Next Steps:

Are you wondering what your best next step is? Maybe you'd like more information, or maybe you'd like to speak to us directly. Here are a few options:

- 1 Visit us online** at www.thirteen.org/plannedgiving to learn more about how you can help us support the future of public television.
- 2 Return the reply card** to receive a free copy of our new booklet *Charitable Planning for Singles*.
- 3 Call** David Clough at 212.560.4989 or John Matthews at 212.560.6832 to find out about how a gift to WNET will support the station and provide income to you for life.
- 4 E-mail us** at plannedgiving@thirteen.org. We're happy to answer any questions you might have or send you more information.
- 5 Join our Legacy Society**. Contact us to learn more about being recognized for your generosity to WNET.

THIRTEEN WLIW21

This publication is prepared exclusively for the benefit of members of THIRTEEN and WLIW21. Its purpose is to inform you of some of the opportunities available through tax and financial planning. The items contained herein are believed to be accurate with the federal tax law and regulations at the time of publication. State law may affect the results illustrated. You should be sure to consult with your own legal advisors about the applicability to your own situation.

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IN THIS ISSUE

- Planning for the Single Person
- Travels with THIRTEEN

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