

Community Investment

December 2008

United
Way



United Way of Lincoln and Lancaster County Foundation, Inc.

Charity is not limited to your lifetime.

Planned Giving Opportunities

You can leave a lasting legacy in Lincoln and Lancaster County through a gift to the United Way of Lincoln and Lancaster County Foundation, Inc. Your gift is a sound investment that will benefit our community both today and in the future. Contributions can be made in the following ways:

- Cash
- Securities
- Real Estate
- Bargain Sales
- Life Insurance
- Bequests
- Charitable Remainder Trusts
- Charitable Land Trusts
- Retirement Plan Designations
- Charitable Estate Planning
- Charitable Gift Annuities
- Memorials & Honorariums

Foundation receives \$2.1 million gift

Jim Abel decided that the best way to celebrate the 100th anniversary of his company was to bestow a gift on the United Way of Lincoln and Lancaster County Foundation.

Indeed, the \$2.1 million donation is the largest single-donor gift to the local United Way in its history. The gift is being funded by Universal Surety Company, owned by the Jim Abel family and the Thomas A. Tallman family. Abel is chairman and CEO of NEBCO and Tallman serves as president of Universal. The gift coincides with the 100-year anniversary of NEBCO, Inc., founded by George P. Abel Sr., the grandfather of Abel and Tallman.

"We'd been thinking about what to do for our 100th birthday," Abel said. "There seems to be a lot of need for the human services and health services agencies in town. With that idea, it quickly evolved that we should make a gift to the United Way and that we should utilize the United Way's resources, which I have great confidence in. Having a long history with them, I like their allocations and their accountability."

Abel was campaign chairman of the local United Way in 1990 and board chairman in 1992.

In consultation with the United Way, Abel and Tallman chose more than 20 Lancaster County agencies as beneficiaries. The agencies submitted proposals for how they would use the money, with the understanding that it should put them in a better position to help their clients and to continue to grow on their own.

"We wanted to focus on what the United Way feels are areas of critical importance,"

Abel said. "A lot of them had to do with youth support," an area that United Way increasingly emphasizes.

The donation to United Way also adheres to the Abel family creed, a spirit of generosity that has endured for generations. Just before his death in 1937, George P. Abel Sr. wrote six "rules of guidance" for his children. Among them was a commitment to do "social and charity work."

"The family's always been about people helping people," Abel said. "We've always had an interest in doing what we can to help people in our community. We had a situation where we could step it up from what we had done in the past. It was a perfect time, with our 100th anniversary, to do something significant."

With so many charities to consider, working with United Way to identify agencies with the greatest needs was a given, Abel said.

"It was a very, very easy thing for us to want to do, because of our community and because of the United Way, their reputation and the tremendous confidence that I've always had in them," he said.

Perhaps most important, Abel hopes the gift will spur others who are capable of giving to invest in their community through the United Way foundation.



Jim Abel, chairman and CEO of NEBCO, which is celebrating its 100th anniversary.

THE FOUNDATION

The United Way of Lincoln and Lancaster County Foundation, Inc., is a public charity created to help fulfill the mission of United Way of Lincoln and Lancaster County.



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For more information on the United Way of Lincoln and Lancaster County Foundation, Inc., call Brian Wachman at (402) 441-7150 or e-mail him at bwachman@unitedwaylincoln.org.

Charitable gift annuity may benefit you

Charities delight in meeting and visiting with their friends and supporters. The charity has a chance to get to know them better and for them to learn more about the organization.

One afternoon a charity received a phone call from David. He had never made a gift to them but was very interested in the charity's work. He wondered if they offered a charitable gift annuity.

"Yes," the gift planner replied, explaining that a gift annuity is an agreement by which they would pay him a fixed income for life in exchange for a gift to the organization. The payout rate is based on his current age, she said. He would enjoy an income tax deduction, and a portion of his annual income may be tax-free. Based on his age, he would receive a payout rate of 7.1 percent for one life.

"That is a very good rate," David said. "But how will a gift annuity help you?"

The gift planner explained that David would continue to receive payments for

his lifetime. After the payments ceased, the annuity would be used to support the charity's mission.

"That sounds pretty good," he said. "Would you send me more information?"

The proposal went out in the next day's mail. Two days later, David called back.

"I got the proposal and it looks good. It answered all my questions. I'm sending you a check today," he said.

The gift planner thanked him and asked to see him to express the charity's appreciation in person. "I know you appreciate what I'm doing, but I prefer to stay in the background," he replied.

Today, David is enjoying the benefits of his gift annuity, knowing that he is helping his favorite charity.

If you are interested in learning how a gift annuity can benefit you, please contact Brian Wachman at 441-7150.

Charitable rollover provision extended by two years

As part of the \$700 billion economic rescue legislation, also known as the Emergency Economic Stabilization Act of 2008, the IRA charitable rollover provision has been extended by two years.

The provision exempts from taxable income any funds transferred ("rolled over") from an Individual Retirement Account (IRA) to a charitable organization. The following limitations apply:

- The donor must be age 70½ or older.
- The cap on annual IRA rollovers is \$100,000.
- The contribution must be a direct gift to a charity (no planned gifts).

The provision is retroactive to Jan. 1, 2008, and applies to gifts made from that date through Dec. 31, 2009. The initial provision expired at the end of 2007.

While the primary purpose of the stabilization act was to authorize the

government to purchase problematic mortgaged-backed securities, it also contains incentives for charitable giving.

To qualify for IRA rollover treatment, the donor must direct the IRA manager to transfer funds directly to a charity. A withdrawal followed by a contribution will still have to be reported as income. The recipient must be a tax-exempt organization to which deductible contributions can be made.

Under prior law making a gift of IRA assets to charity was a two-step process. A donor would withdraw assets from their IRA that would be included in their income for tax purposes. The donor could then make a gift of the withdrawn assets to charity. The deduction from the gift would offset the income taxes on the withdrawal.

A rollover of IRA assets to charity would be advantageous for:

- Donors who do not itemize their deductions.
- Donors who would be unable to deduct the entire contribution because of the 50-percent-of-AGI limitation.
- Donors with a high income who might lose some of their exemptions, credits, and itemized deductions if normal income is inflated by a withdrawal.
- Donors with more modest incomes. Adding IRA withdrawals to their other income might cause more of their Social Security payments to be taxable.
- Donors who reside in a state where charitable contributions are not deductible on the state income tax return.

Whatever their circumstances, donors will find a direct distribution simpler than the two-step process of taking a personal withdrawal followed by a charitable contribution, and with the new law, they can do that for at least the next two tax years.