Laddering Charitable Gift Annuities
Helping the Orchestra While Supplementing Your Retirement

According to the American Council on Gift Annuities, the charitable gift annuity has existed since 1843. With this popular giving vehicle, a donor receives fixed payments for life, and at the end of the donor's life, the remaining assets in the gift annuity benefit charity.

The payout rate in a gift annuity is based on the annuitant's age: the older the annuitant, the higher the payout rate. Although a donor cannot add funds to a gift annuity contract once established, the device is very easy to set up, and many donors choose to create multiple gift annuities over time.

At the Minnesota Orchestra, long-time donor and subscriber Clifford Fortin, Ph.D., is one such individual. He has created ten gift annuity contracts with the Orchestra. Clifford made his first gift in 1996. A few years later, he created a second contract because, as he remembers, “I wanted to leave more of a legacy for the Orchestra, and creating a new gift annuity contract was an easy way to do so without revising my will.”

Moreover, Clifford has discovered that establishing gift annuity contracts every year has been a great way to diversify his assets while benefiting the Orchestra. When he established his first gift annuity in 1996, his payout rate was 7.7 percent. Now, several years and birthdays later, his gift annuity payout rate is 9.9 percent. As Clifford explains, “Gift annuities have been a great way for me to increase my income in my retirement, but have the satisfaction of making a gift now. It's so easy to do.”

Contact us at (612) 371-5600 for a free, personalized gift annuity illustration, and learn whether this gift is right for you.

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Estate Planning Essentials

A Closer Look at One Single Parent’s Plan

When Tracy O’Brien created her first will in 2002, her goal was simple—to protect the future of her only son. “I wanted to make sure my son would be taken care of, my debts would be paid off and my money would go where it was supposed to go,” Tracy explains.

Recently divorced, Tracy named a guardian for her 11-year-old and set up a trust to provide for his future financial needs.

**Time to Update**

In 2008, Tracy began a new job. In the process, she rolled over a 401(k) into an IRA and filled out life insurance and retirement beneficiary forms at her new place of employment. With her son now nearing adulthood, Tracy felt it was time to look over her existing plans.

Tracy met with estate planning attorney Johni Hays, and, together, they discussed her old will, her current assets and her future goals. While the 45-minute conversation was simple and relaxed, what they discovered will save Tracy’s son from future problems and offers Tracy true peace of mind.

**Issues That Caused Concern**

1. Tracy had her younger brother listed as trustee and guardian of her teenage son. She did not, however, have a backup listed if her brother did not survive her.

2. For executors of her will, Tracy listed her brother, who lives out of state, and her father. Because at least one executor must be in state, Tracy needed a backup for her brother in case her father should predecease her.

3. Tracy had a financial power of attorney in place, but she lacked a power of attorney for health care and a living will to take care of future health care wishes.

4. Of greatest concern, Tracy had filled out her beneficiary forms incorrectly on her life insurance and retirement plan assets—the bulk of her

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**April 16 Is National Health Care Decisions Day**

Making important health care decisions before they are needed can help you prepare for a worst-case scenario. That’s where National Health Care Decisions Day comes in, to raise awareness about the necessity of advance care planning. Visit [www.nationalhealthcaredecisionsday.org](http://www.nationalhealthcaredecisionsday.org) to learn more.
you can achieve your charitable goals by simply including us in your estate planning. Call us for sample language you can share with your attorney.

Instead of putting her son’s trust as beneficiary, which would distribute payments to him at ages 25, 30 and 35, Tracy had listed her son as beneficiary. As a result, he could receive the full amount when he turned 18, a much younger age than Tracy wished for him to receive a large inheritance.

**The Solutions**

Because the holes in Tracy’s estate were rather small, Hays was able to amend the will with a codicil and draft the other needed documents. To correct Tracy’s beneficiary designations, she requested change of beneficiary forms for her IRAs and her life insurance. Lastly, Tracy was advised to lock her safe where she keeps important documents and make sure her executors had the combination. “Tracy’s case is the perfect example of how you need to coordinate your whole estate plan, and that includes more than just a will,” Hays says. Tracy is thrilled she took the time to update her plans. “It doesn’t take long and it’s not that expensive,” she says. “But it’s critical to protect yourself and what you own.”

**Provide for Minor Children And Grandchildren**

Among your many options in providing for children and grandchildren, such as custodial accounts and guardianships, a trust is often the best choice. Here’s why:

- A trust can distribute income to your children in the manner and at the ages you select, unlike a custodial account in which all of the funds are distributed to children when they reach the age specified by state law (usually 18 or 21).
- A trust can provide for your children’s education and treat them equitably—but not necessarily equally.
- A special needs trust may be the best means of providing for a disabled child’s needs and preserving his or her government entitlements.
- If you have a deceased child who is survived by a spouse, you can establish a trust for your son-in-law or daughter-in-law during his or her lifetime, with the remaining trust assets going to your grandchildren (or other family members) at your in-laws’ death.

Trusts can be designed to fit almost any set of circumstances, assuring flexibility, reliability and confidentiality based on your goals. Please call us if you would like to make a gift to us by including our organization in your trust. We would be happy to confidentially discuss your intentions with you and your financial or legal advisors.

**Discover Everything You Need to Know About Wills**

The best gift you can give yourself is an up-to-date will. And the easiest way to support us is to include us in your will. For answers to your questions on wills, send for one or both of our FREE guides by returning the enclosed reply card.
The Laureate Society
Honoring Those Committed to the Minnesota Orchestra’s Future

The Laureate Society was established to recognize and express appreciation to those individuals who have remembered the Minnesota Orchestral Association in their estate plans through wills, living trusts or other deferred gift vehicles.

Benefits of the Laureate Society:
- You will be invited to the annual Laureate Society Luncheon.
- You and your guests will be invited to attend Patron Receptions in the green room during the intermissions of all Classical and Coffee Concerts. Refreshments are complimentary.
- With your permission, you will be recognized in Showcase, the Minnesota Orchestra’s program magazine.
- You may opt to receive Showcase mailed directly to your home.
- You will receive periodic communications from the Minnesota Orchestra related to estate planning topics as well as information about Orchestra activities and events.

Members of the Laureate Society may remain anonymous, and all information is kept strictly confidential. There is no minimum commitment required for membership.

To join the Laureate Society, please contact the Development Office at (612) 371-5600 or download a membership form at minnesotaorchestra.org/laureate.

Action List
Estate Planning Measures You Can Take Today

1. If you don’t have a will or a complete estate plan, meet with your estate planning attorney or begin your search for one who can help you get your plans in order.

2. Return the enclosed reply card to receive one or both of our FREE guides to learn how planning today can protect your family tomorrow.

3. If you would like to remember the Minnesota Orchestral Association in your will, contact us to obtain official language you can share with your estate planning attorney.

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Osmo Vänskä Music Director

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