Ann Batson James, ’67, Gives Back to Meredith for Expanding Her World

When Ann Batson James, ’67, came to Meredith as a freshman from a small high school in southeastern North Carolina, the donor and Board of Trustees member had ambitions that were straightforward.

“My goal was to become as accomplished as my aunt at entertaining and running a household, as knowledgeable as my mother about nutrition and feeding a growing family on a very small budget, and as skilled as my grandmother at sewing,” Ann said.

Ann, who majored in home economics, says Meredith’s caring environment instilled in her a thirst for knowledge and an ability to think critically that she has used throughout her life and her work in government affairs.

In gratitude, Ann and her husband, Allen James (who courted Ann in the parlors of Johnson Hall), have made a number of significant gifts to Meredith, both outright gifts and planned gifts that are deferred. Their gifts support the study abroad program and The Meredith Fund that cares for the College’s historic campus, and honor the efforts of Ann’s mother and grandmother to pursue their degrees in the face of financial difficulties.

“I believe we are in debt to Meredith College,” Ann said, “and that debt must be repaid.”

Concern about providing adequately for a surviving spouse often conflicts with another goal: making a meaningful provision in a will for a favorite charitable organization.

A life-income plan, such as a charitable remainder trust or a gift annuity, is a way to give a surviving spouse the security of additional cash flow with the remainder passing to charity. If your spouse is the only beneficiary, assets given through a life-income plan will not be subject to estate tax.

**Situation:** Mary would like to make a substantial charitable gift to Meredith College under her will, but she is concerned that her husband, George, will need income from her estate. **Solution:** Mary directs in her will the creation of a trust that will make annual payments to George for life and pay the principal to us at his death. The trust qualifies for the **marital deduction** in Mary’s estate and for a charitable deduction when we receive the trust assets at George’s later death.

Start Planning Your Will Now with Our Free Will-Planning Booklet!

- Protect your family and control the distribution of your assets.
- Save taxes for your heirs.
- Use charitable bequests to support your survivors—and our work.

Simply return the attached reply card or call Harold West at (919) 760-5372.

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney for applicability to your own situation.

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Your Will: Peace of Mind Through Thoughtful Planning

Intestacy (in-TES-ta-see) may sound like a serious disease, a diagnosis you would dread hearing from your doctor. But it simply means dying without a valid will. Unfortunately, it can have long-lasting consequences that are just as harmful to your family.

One of your most precious legal rights is the opportunity to dispose of property the way you want to. Surprisingly, however, more than 70% of the adults in this country die intestate.

Why is it that many people will spend a lifetime working, accumulating an estate, and caring for a family and loved ones and then leave the important matter of the distribution of their property up to state law—perhaps not in accordance with their wishes?

Perhaps procrastination, inability to face death, and lack of familiarity with intestacy laws are reasons why so many die without executing a will. While only you can deal with the first two reasons, we can explain the serious aftermath of intestacy.

Estate Tax Now Made Permanent

Before the American Taxpayer Relief Act of 2012 (ATRA), one of the biggest questions was what would happen to the federal estate tax. It had been on a roller coaster since the turn of the millennium, but the general trend was to increase the exemption and decrease the estate-tax rate.

The final outcome of ATRA was to increase the estate-tax rate from 35% to 40% while retaining the high exemption. For 2015 the exemption is $5.43 million per person, and it will be indexed for inflation in future years. The law keeps the gift tax and estate tax unified as one system and also allows a surviving spouse to use any part of the exemption not used by the estate of the first spouse to die.

These provisions eliminate the threat of federal estate taxes for all but a small number of the wealthiest Americans and let taxpayers approach their estate planning with more assurance.

Either You Decide Who Will Receive Your Assets or Your State Will Decide

To determine who gets what at your death provides a tremendous financial advantage. True, you will incur some expense in having a will drafted; writing your own is inadvisable. You will also need to invest time in communicating your desires to an experienced estate attorney. Once done, however, it would be one of the wisest investments you ever made.

You can avoid the unsatisfactory disposition of property often caused by a state’s intestacy law by having a properly drafted will that can:

- make provisions for the payment of your debts, administration expenses, and taxes.
- provide for payment of certain specific bequests (certain personal possessions, for instance, may have special meaning to particular children).
- provide for the special needs of one or more of your children.
- leave the remainder of your estate to your surviving spouse.

Note: Additional provisions usually name an executor of an estate with the authority to serve without bond and with additional management powers not otherwise authorized by state law. This provides for the alternative disposition of the estate in the event of the concurrent deaths of a husband and wife.

You should not make a will and then forget it. Review it periodically and revise it if circumstances dictate a different disposition of property. An excellent will drawn 20 years ago may not be appropriate today.

Remember: To die without a will is to do a disservice to your family and loved ones. By contrast, a thoughtfully prepared and carefully drafted will can provide peace of mind for both you and your beneficiaries.

What’s more, you can memorialize a lasting interest in Meredith College. A custom will makes it possible for you to arrange your gifts so they can support your charitable interests and reduce taxes.

Your Will Can Simplify Your Estate and Meet Financial and Charitable Objectives

If you want to simplify your estate planning, you may wish to consider a living trust in conjunction with a pour-over will. Such a will simply states that the remainder of your estate after payment of certain expenses is to pour over into an already existing trust. You could also designate the trust as the beneficiary of life insurance policies and retirement plan benefits.

This arrangement would centralize the assets of your estate and provide for your beneficiaries according to the terms you specify in the trust agreement.

Each year thousands of people designate that a portion of their assets be used for the benefit and support of America’s charitable organizations. Gifts by will enable one to make significant contributions that may not have been possible during life.

In addition to the personal satisfaction you derive from a philanthropic bequest, you may save estate taxes depending on the size of your estate.

Your gifts by will can also be tailored to meet your specific personal and financial objectives. For instance, you may wish to express your bequest as a percentage of your estate rather than a specific dollar amount. This is an excellent method of protecting your intended beneficiaries in the event of a reduction in the size of your estate.

Start Planning Your Will Today Request Our Free Will-Planning Booklet!

Request our free planning booklet, Your Will: A Powerful Tool for Supporting Your Family—and Charity.

1. Get a copy in the mail by returning the enclosed reply card.
2. Call us to request it at (919) 760-8372 or e-mail us to request it at westh@meredith.edu.