

PARTNERS

PARTNERS FOR THE FUTURE

SUMMER 2003



Donor's Bequest Will Have Long-term Impact

George W. Rose, a committed Center supporter for more than 15 years, recently left the Center a substantial gift in his trust. The donation—the largest single bequest in the Center's history—enabled Mr. Rose to help ensure the Center's work for tolerance and justice would extend far beyond his lifetime.

Mr. Rose was born in 1920 in East Prussia. When the Nazis came to power, his parents sent him to England where he endured the difficulties of coping with new people, a new language, and new culture without the support of his family. While in England, Mr. Rose learned that life could be unpredictable and that he must always be ready for the good and the bad. After three years, he was sent to New York to live with his cousin. There, at the age of 16, he worked at a jewelry shop and attended high school.

His parents eventually escaped Europe and settled in Chicago. Mr. Rose joined them after graduating from high school and enrolled at the University of Chicago.

After serving in the United States army, Mr. Rose moved to Los Angeles to pursue his interest in business. With his father's help, he began selling musical instruments and firearms wholesale. The business was very successful, and he soon expanded to international buying and selling. After the assassination of President Kennedy, however, Mr. Rose

decided he wanted nothing to do with firearms. He spent the rest of his life advocating gun control.

Mr. Rose sold his business and began working with real estate and development. He later expanded his work to building both residential and industrial properties with his wife Necla Somer, an architect from Turkey.

Mr. Rose was known for his commitment to his work. He took great pride in his properties and made sure to treat everyone he did business with in a fair and straightforward manner.

Mr. Rose died of cancer in 1999. He left much of his estate to a large number of charities, including the United Jewish Fund, the American Cancer Society, the American Heart Association, Hebrew University, and the Southern Poverty Law Center.

Mr. Rose very carefully chose the charities he wanted to benefit after his death. As a Jewish immigrant who escaped Europe during WWII, the Center's work to prevent hate crimes held personal meaning for him. Mr. Rose created a legacy that will enable the Center to continue its fight for tolerance and justice for many years to come.



Center programs like Teaching Tolerance will benefit from the legacy left by George Rose.

WHAT'S INSIDE

- 2 WELCOME NEW PARTNERS
 - 3 FOUNDER'S MESSAGE
 - 4 RETIREMENT PLANS AS CHARITABLE GIFTS
 - 6 GIFT ANNUITIES OFFER PAYMENTS FOR LIFE
 - 7 PROJECTS YOU MAKE POSSIBLE
 - 8 ANSWERS TO YOUR QUESTIONS
- ...AND MORE

New Partners

We are pleased to recognize the newest members of Partners for the Future who have included the Center in their estate plans.

Johnnie Ruth Aldrich	Angela Lore`
Joan Anderson	Linda M. Maclean
Jeanne Angel	Virginia MacMulkin
James W. Ashford Sr.	Carol A. Manning
Midge Barnett	Burt Marx
Cynthia Bowling	Char McAllister
Joseph and Helen Calles	Major Bonnie M. McEwan
A. J. Campbell	Barbara McLean
Frank Carl	Patricia A. Meyer
Cristina S. Carton	Lynn E. Moore
Melvin Christian	Florence Nemkov
Brad Clason	Suzanne Nestel
Mr. and Mrs. George Cogorno	Abraham G. Osler
Alma O. Cohen	Elliott Palevsky
Marcia Coleman	Martha Parrish
Donna Courtney	Mary Jean Pfaelzer
Mr. and Mrs. Malcolm H. Davis	Margaret A. Polglaze
William H. Forsyth Jr.	Marsha Porcell
Wyman Fowler III	Barbara A. Potter
Stanley M. Friedman	Jannette Powell
Jillian Froebe	Mr. and Mrs. Michael Rafferty
R. E. Gahringer	Deborah Rand
Sheila Gershen	Anna Louise Reynolds
Karla Gethoffer	Jane Ronca-Washburn
Edwin Goldberg	Maggie Schmidt
Norma Graff	J. J. Schumann
Charles Granade	Mary Skousgaard
Diane Greene	Alice P. Smith
Karen Grubb	Pennell Somsen
Wendy Harris	John and Dawne Sowle
Ginger F. Heard	Janice Taylor
Cathy L. Hoot	Reverend Cara Van Zandt
Leon Hopewell	Mike Vermillion
Laurence Howard	Judy A. Weitzman
Muriel Hurovitz	Leith Whatley
Karen J. Kenefick	Jean E. Wiant
Bruce Lambert	William J. Wiley
Jo Ellen Legg	Clyde N. Wilkinson
Charles B. Lewis	Alice T. Worth
Lois K. Lighthart	Harry Wright
Morton Lippman	

The work you do is critical to the moral center of our country, and I applaud your courage, commitment, and patriotism. I am honored to be in some small way associated with you all. The Center is included in my estate plan. **J. S. Washington**

I have felt helpless against the tide of ignorance and bigotry which seems to get more virulent, not only in our own country. There have been major changes over the years, but a hard core of ignorance and hate still stains our national conscience. It is reassuring to learn of the many cases in which the law, through your efforts, can and does punish those who are guilty of outrageous acts of violence and hatred. For fighting ALL kinds of injustice, I thank and applaud the efforts of SPLC. I have included the Center in my Will. **W. H. New Mexico**

The Center has long been my most admired organization of its kind in our country, and Mr. Morris Dees, my personal hero. I am a retired teacher, and I have spoken to all who would listen – students, friends, and family – about the very vital and inspiring work the Center does. Long before your work was as well known, I was explaining to and encouraging others to become acquainted with the daunting and necessary tasks you have undertaken. Thank you for the remarkable work you do. I am proud, in my small way, to support you all that I can. The Center is included in my Will. **E. F. Illinois**

I plan to include the Center in my Will. It won't be an eye-opening gift, but rather a way to thank you for the magnificent work you do for the country and for me. Again, you have my very sincere gratitude. **F. B. Virginia**

I am pleased to be able to set up this charitable gift annuity with the Center. Your work is very important to our country. Please continue your fabulous programs. **E. G. Florida**

Visit us on the Web!

For the latest
Center news or to
make a donation, go to

www.splcenter.org

TRIBUTE GIFTS

Honoring a loved one through a charitable gift to the Center is an especially meaningful way of paying tribute to someone special. Memorium and “in honor” gifts allow you to thoughtfully remember family members and friends. The Center accepts gifts in memory of those who have died or in honor of someone on a special occasion, such as a birthday, anniversary, or graduation. If you would like to honor or memorialize someone, please contact the Center. It is easy to do and can add meaning beyond measure to your special gift.

One Person Can Make a Difference for Tolerance and Justice

As I sat at the 2003 Academy Awards Ceremony, eagerly waiting to hear whether our newest Teaching Tolerance video *Mighty Times* won an Oscar®, I could not help but think about Rosa Parks.

I thought about how she must have felt to be arrested for refusing to give her bus seat to a white man. I thought about the courage it must have taken for her to stand up to the racist leaders of Montgomery. I thought about the African Americans who took part in the bus boycott, walking thousands of miles to work in spite of harassment, beatings, arrests, and even bombings. I thought about how a nation was changed because those individuals dedicated themselves to ending segregation.

Mighty Times did not win the Oscar® for Best Short Documentary. A film about the events of September 11 took home the award. But I still feel a deep sense of pride for this video because it is having such a positive impact on schoolchildren across the country. As they watch the story of Rosa Parks and the birth of the Civil Rights Movement, our future leaders are learning that one person can make a difference as we seek to build a more tolerant and just America for all.

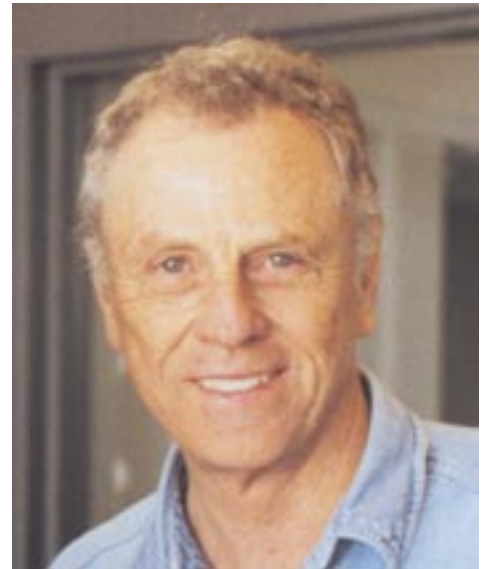
Individuals are still working together toward this common goal. I am fortunate to witness this every day: a teacher instilling values of fairness and acceptance into her young students, a teenager speaking out against the social barriers at his school, a police officer seeking justice for a hate crime victim, a donor giving every month to support our legal and educational work at the Southern Poverty Law Center.

These unselfish acts are never forgotten. Rosa Parks, Martin Luther King Jr., and

others have been immortalized in the history books for their courageous sacrifices for equality. And donors like you are leaving their own legacies by supporting the Center's efforts to fight the hate and bigotry that still plague our country.

As you will read on the front page of this newsletter, George Rose wanted to help the Center continue its work beyond his lifetime. He left the Center a substantial amount of money—the largest single bequest in our history. Because of his generosity, the Center will be in a better position to carry on its mission.

But we still need your help. Mr. Rose had the financial resources to make a large bequest, but even the most modest gifts, combined with those of other Center supporters, help ensure the Center's future. I encourage you to read the article on page four and consider supporting the Center with assets from your retirement plan, if you have one, or through another planned giving option. Together, you and I can continue to make a difference beyond our lifetimes.



Mark Deen

Retirement Plans as Charitable Gifts May Pr

Millions of Americans have taken advantage of generous tax incentives provided by Congress to encourage savings for their retirement years. Money saved in qualified retirement plans such as IRAs, 401(k)s, and 403(b)s is not subject to income tax until amounts are actually withdrawn. The assets build tax-free for future enjoyment.

Many Center supporters have asked about using their retirement plans to make charitable gifts to the Center. In fact, these assets can make excellent deferred gifts because careful planning can minimize the taxes that may be eventually due.

Rather than see retirement assets diminished by taxes, individuals can direct that these assets be used to fund charitable gifts from their estates. This can actually result in more assets being passed on to their families than would be the case if retirement assets were

the taxable estate, are completely deductible from the estate as charitable gifts. Other assets that would not be subject to income taxes can then be left to family members.

There are several ways to make charitable gifts from traditional retirement plans:

Designation of Charitable Beneficiary

You can designate the Center as a beneficiary to receive all or a stated percentage of your retirement account upon your death. Your estate will receive a charitable deduction for the value of the assets distributed to the Center, and since the Center is a tax-exempt charity, it will pay no income tax on the distribution.

Both the Center and a family member can be named as beneficiaries of the same retirement plan without affecting the minimum distribution requirements. It is best to express the charity's share as a fraction or percentage, not as a dollar amount. Expressing the charity's share as a dollar amount may trigger income tax consequences.

Transfer to Charitable Remainder Trust

You can designate that your retirement plan assets be used to fund a qualified charitable remainder trust at your death. In this way, you provide income for the lives

left to the family and charitable gifts were made from other funds in the estate. That is because amounts left from retirement plans for charitable use, while included in

Let us send you free information

about any of the following types of planned gifts:

Wills · Life Income
Trusts · Retirement Plans
Life Insurance · Securities & Real Estate

See the enclosed envelope or call the Center's
Planned Giving Department toll free at **888-414-7752**.
Our e-mail address is plannedgiving@splcenter.org.

Provide Significant Tax Savings

of loved ones, with the remainder passing to the Center after their lifetimes.

The rules affecting charitable trusts and retirement plans are complex, so be sure to seek the advice of your attorney or qualified estate planner before acting.

Charitable Gift During Life

While an IRA or traditional retirement account cannot be “rolled-over” tax-free to a charitable organization under current law, it is still possible to use these funds to make charitable gifts. If you decide to use assets from a retirement account to fund a gift to the Center during your lifetime, the transfer will be treated as a withdrawal by you and the distribution will be subject to income tax. However, if you itemize your deductions, you will be eligible for an income tax charitable deduction that will mitigate the tax.

It is also possible to use retirement plan assets to fund a life-income gift such as a charitable remainder trust or charitable gift

annuity. As with an outright gift, current law dictates that the transfer be treated as a withdrawal and income tax will be due. Since the charitable deduction generated by such a gift may not offset all of the withdrawal, you might want to retain enough of the distribution to cover the tax and contribute the balance to the Center.

Legislation to Watch

The pending tax legislation known as the CARE Act contains charitable giving incentives including the IRA Rollover, which would allow individuals to transfer funds tax-free from an IRA or other qualified retirement vehicle to a charitable organization. Under the new provision, funds folded into a planned gift could be transferred when the donor reaches age 59 1/2. A direct contribution to a charity could be transferred when the donor reaches age 70 1/2. Check with your financial planner or tax advisor for the most current information.

WILLS AND BEQUESTS

When including the Southern Poverty Law Center in your Will, you can choose one or more of the following types of bequests:

Residual or percentage bequest

gives the residue, or a portion (usually a percentage) of the residue, of your estate to the Center after specific bequests have been made;

Specific or general bequest

leaves a stated amount of cash, securities, and/or other property to the Center;

Contingent bequest provides an alternative beneficiary, such as the Center, if one or more of your bequests cannot be fulfilled;

Life-income bequest provides a life income to someone close to you with the principal passing to the Center after his/her lifetime;

Combination bequest combines several of the types of gifts listed above.

Whether you are preparing a Will for the first time or wish to make a change to your existing Will, we strongly suggest that you consult your attorney.

Questions?
It's easy to
contact us:

- 1 Call Linda Stringer or Gwen Moore toll free at 1-888-414-7752
- 2 E-mail us at plannedgiving@splcenter.org
- 3 Return the enclosed card in the envelope provided
- 4 Write us at: 400 Washington Ave. Montgomery, Alabama 36104

Gift Annuities Offer Tax Savings and Guaranteed Payments for Life

Hundreds of supporters have established charitable gift annuities with the Center. This planned giving vehicle enables individuals to make a gift to the Center, enjoy a charitable deduction, and receive payments for life.

The Center follows the annuity rates suggested by the American Council on Gift Annuities. The ACGA adjusted its recommended rates effective July 1,

2003. The examples pictured here are based on the new, slightly lower rates for a \$10,000 gift.

The Center's Planned Giving Department will prepare a free personalized Benefits Summary on request. Let us customize one for you. There is no obligation and all information is confidential.

Simply complete the enclosed reply

form and send it to us. Be sure to give your date of birth (or dates if the annuity is for two lives) and the amount of the gift you are considering.

The Center establishes charitable gift annuities for persons 60 years or older. At age 55, you can establish a deferred gift annuity postponing payments to age 60 or later. The minimum gift amount is \$5,000.

You can use appreciated securities to establish a charitable gift annuity and avoid capital gains tax at the time you make your gift.

Call the Planned Giving Department toll free at 1-888-414-7752 for more information on charitable gift annuities.

BECOME A PARTNER

More than 2,000 supporters have become Partners for the Future by including the Center in their long-term giving plans. Many have planned a bequest through their Wills; others have made a life-income gift. By making a deferred gift, supporters can:

- Provide a legacy of values for loved ones
- Ensure their intentions are carried out
- Help safeguard the Center's long-term work
- Join our Partners for the Future society

Making a long-term commitment to a charitable organization is a personal and commendable choice. If you'd like to learn more about the benefits of gift planning, contact us today.

Toll free **1-888-414-7752**
plannedgiving@splcenter.org
 Or return the card in the envelope provided to:

Planned Giving Office
 Southern Poverty Law Center
 400 Washington Avenue
 Montgomery, Alabama 36104

ONE LIFE (Annual payment based on \$10,000 gift)

AGE	RATE	PAYMENTS
60	5.7%	\$570
65	6.0%	\$600
70	6.5%	\$650
75	7.1%	\$710
80	8.0%	\$800
85	9.5%	\$950
90	11.3%	\$1,300

TWO LIVES (Annual payment based on \$10,000 gift)

AGE	RATE	PAYMENTS
60/60	5.4%	\$540
65/65	5.6%	\$560
70/70	5.9%	\$590
75/75	6.3%	\$630
80/80	6.9%	\$690
85/85	7.9%	\$790
90/90	9.3%	\$930

TEACHING TOLERANCE GRANT CLOSES GENERATION GAP

Second graders at Laurel Nokomis School in Southwest Florida have bridged the wide age gap between the schoolchildren and local retirees through a new community outreach project funded by a Teaching Tolerance grant.

Because many of their family members live in northern states, Florida students and retirees often do not have much experience interacting with people of a different generation. Reach Out and Read (ROAR) is a classroom project that connected the youngsters and their elders through literature and written communication.



Second graders cross the generation gap with ROAR.

For their first ROAR trip, students were paired with residents of a local retirement community. The children took turns reading a touching story of a child's relationship with her grandmother, who recently moved into a retirement home. On a return trip, they read a story of a grandfather reliving his vaudeville days with a new set of "book buddies."

"What touched me most about the day were the wonderful stories being exchanged between the old and the young," said one parent volunteer. "I knew that the residents would truly enjoy the children, yet I was blown away by the enthusiasm of the children and how much they benefited from the experience."

Since 1997, Teaching Tolerance has funded more than 700 innovative classroom projects for educators across the country.

"It's easy to have dreams but oftentimes, for teachers, funding can get in the way," said Michelle Miller, the teacher behind ROAR. "Organizations like Teaching Tolerance make this kind of out-of-the-ordinary project possible."

OSCAR® NOMINATED FILM IMPACTS STUDENTS

With award-winning education kits and a highly acclaimed magazine, Teaching Tolerance continues to make great strides promoting tolerance education.

Its newest video, *Mighty Times: The Legacy of Rosa Parks*, was nominated for an Academy Award for Best Documentary Short Subject in March.

Mighty Times recounts the amazing story of how one woman's refusal to give up her bus seat to a white man stirred an entire community to unite against segregation. Schoolchildren learn the valuable lesson that one person can make a difference in bringing about positive change in their communities.

Teachers have praised this inspirational film, which will be distributed to as many as 50,000 schools free of charge.

"Our emotions were stirred to the point of anger and tears," one California teacher wrote. "My students were able to feel the injustice and enduring prejudice...It became real, as much as possible, to them. They want to build character to emulate people like Mrs. Parks, Dr. King, and countless others who tried, who helped, and who hoped."

Mighty Times is the third Teaching Tolerance classroom video to be recognized by the Academy of Motion Picture Arts and Sciences.



Rosa Parks

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Are the assets I donate to the Center in my Will included in my estate?

H. B. Florida

Yes, all assets you own at death are included in your gross taxable estate. However, there are certain deductions for estate tax purposes which serve to remove assets, such as the gift you describe, from your taxable estate.

?

The gift annuity calculations you sent indicate that the IRS discount rate is 5.6%. What does that mean?

D. B. Iowa

Also known as the AFR or Applicable Federal Rate, the IRS discount rate is used to determine the charitable deduction for many types of planned gifts, including charitable gift annuities. The higher the IRS discount rate, the higher the deduction for charitable gift annuities. Published monthly, the rate is the annual rate of return that the IRS assumes the gift assets will earn during the gift term. It equals 120% of the annual mid-term rate, rounded to the nearest 0.2%. (The annual mid-term rate is the annualized average yield of treasury instruments over the past 30 days that have remaining maturities of 3-9 years.)



Philip Temple is a partner in the law firm of McCarthy, Fingar, Donovan, Drazen & Smith, L.L.P., White Plains, New York. He frequently speaks on taxes, charitable giving and estate planning. In each issue of this newsletter, Mr. Temple answers questions about planned giving from Center supporters. Please send your questions to the Center in the envelope provided.

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Can I set up a charitable gift annuity with funds from my IRA?

M. K. Pennsylvania

There is legislation pending in Congress to permit tax-free withdrawals from traditional retirement plans. Currently, IRA assets rolled over into a life income plan are subject to federal income tax. However, depending on your individual circumstances, it may be possible to use a portion of the withdrawal to fund the gift while retaining the necessary amount to pay the net tax due.

For example, at retirement age, you withdraw \$10,000 from your IRA. Assuming you are in a 28% tax bracket, you would normally pay \$2,800 in tax. However, if you establish a charitable gift annuity with \$8,000, you would receive a charitable deduction of approximately 40% or \$3,200. The deduction partially offsets the withdrawal so that only \$6,800 is subject to tax. This reduces the tax due to approximately \$1,904. You can then use the remaining \$2,000 from your withdrawal to pay the tax.

Have a Gift Planning Question?

We're eager to answer your questions and to be of assistance. Use the enclosed envelope to drop us a note or e-mail your questions to us at plannedgiving@splcenter.org.

You can also reach us by mailing your questions to: Planned Giving Office
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Montgomery, Alabama 36104