A Winning Combination
Support BSC and Receive
Fixed Payments for Life in Return

A gift annuity through the BSC Foundation is a great way to ensure annuity payments at a fixed rate for you, or—if you wish—someone close to you.

Gift annuity rates are attractive, fixed, dependable and will not be affected by changes in the market.

Establishing a gift annuity provides an immediate charitable deduction and a portion of your annuity payments may be income tax–free.

Simple but Significant
The process of establishing a gift annuity is simple and can be accomplished with a short contract between you and the BSC Foundation.

Funds remaining after the death of the beneficiary(ies) are used to support the BSC Foundation scholarship program. It’s a winning combination: You receive income for life and tax savings while investing in the future of Bismarck State College students and programs.

Gift Annuity Rates
Look below to see how a gift annuity can support you or someone close to you in your retirement years.

<table>
<thead>
<tr>
<th>For One Life</th>
<th>For Two Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Rate</td>
</tr>
<tr>
<td>65</td>
<td>4.7%</td>
</tr>
<tr>
<td>70</td>
<td>5.1%</td>
</tr>
<tr>
<td>75</td>
<td>5.8%</td>
</tr>
<tr>
<td>80</td>
<td>6.8%</td>
</tr>
<tr>
<td>85</td>
<td>7.8%</td>
</tr>
<tr>
<td>90</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

*Assumes a $10,000 gift and a 1.4 percent charitable midterm federal rate

Inside: Tidying Up Your Year-End Plans: Small Moves That Can Pay Off
Tidying Up Your Year-End Plans
Small Moves That Can Pay Off

The end of the year is an opportune time to be tax-savvy with your finances. By having a plan in place to protect your wealth with valuable and often overlooked tax deductions, you can help eliminate the tax bite in 2012. Following are three moves you can make this year to help reduce the potential tax hit or even boost your income while receiving a tax break.

1 Make an Immediate Cash Gift
When you support our mission with a simple donation of cash, you not only make a difference, but you also receive a tax deduction. If you itemize, you can write off the amount you’re donating, resulting in lower taxable income. If you are unsure whether your gift is tax-deductible, you can always check with us.

2 Benefit From a Life Income Gift
Whether you’re still working or retired, you may decide after assessing your finances that you need more income. Consider setting up a life income gift to benefit a charitable organization such as ours. In exchange for your gift of cash, securities or possibly real estate, you can receive income for life. Plus, you get a partial charitable tax deduction the year you make the gift. After your lifetime or once the payment period ends, the remaining value of your gift goes to us.

3 Provide Support Using A Tax-Smart Strategy
If you give us property that you have owned for more than a year that has increased in value, you pay no capital gains tax on the transaction and you are entitled to a charitable deduction for its full fair market value.

If the property’s value is now below your original purchase price, however, you should sell it to take a capital loss to the extent allowed by law and then donate the cash to us. This helps reduce your taxable estate.

Contact us to learn more about smart ways to support our mission this year while providing tax benefits for yourself.

Did You Know?
If you itemize deductions, the IRS allows you to claim charitable deductions for cash gifts up to 50 percent of your adjusted gross income (AGI). If you make a charitable gift of appreciated assets, you may deduct up to 30 percent of your AGI in any one year. A five-year carryover period is available for gifts in excess of these percentage limitations.
Remember Your Estate Plans...

Year-end tax planning prompts many people to also assess their estate plans. You’ll want to pay particular interest to your plans if you experience:

» Major life events, such as a change in marital status, births or deaths.
» A rise or fall in income or net worth.
» A move to another state, as each state has its own laws about valid wills.

When going over your estate plans, be sure to take advantage of immediate ways to reduce your taxable estate using the following methods:

» Use your annual gift-tax exclusion. You can give your children or grandchildren gifts of cash or stock, and as long as you keep the value of the gift at or below $13,000 ($26,000 for gifts you split with your spouse) per recipient, there will be no tax on the gift.
» You can also pay certain medical bills and tuition fees for someone else—as long as you pay the hospital or schools directly for the incurred costs.

FREE Guide!

Many gifts offer tax benefits in addition to the heartfelt satisfaction that comes from giving at year-end. To learn more, send for the FREE guide Top 5 Year-End Gift Ideas by returning your enclosed survey.

Thank You!
Your donations—large and small—make a big difference in our ability to carry out our mission.

The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income taxes include federal taxes only. State income/estate taxes or state law may impact your results.
It’s easy to know when to renew your driver’s license or credit card—just look at the expiration date on the card—but what about your estate planning documents? Everyone, regardless of whether you are rich or poor, young or old, should have these three essential documents and keep them current.

<table>
<thead>
<tr>
<th>Document</th>
<th>What It Is</th>
<th>Where to Keep It</th>
<th>When to Update It</th>
</tr>
</thead>
</table>
| Will/Living trust         | Directs your trustee or personal representative on how to distribute your estate | In a fireproof emergency kit; give a copy to your personal representative | Every 3–5 years or immediately after:  
  • A move to a different state  
  • A change in beneficiary  
  • An ample change in estate size |
| Durable power of attorney | Allows someone of your choice to carry out financial matters for you in the event of your illness or disability | In a fireproof emergency kit; give a copy to the person you appointed | If your relationship with this person changes or if this person predeceases you |
| Health care proxy and living will | Names an individual to make health care decisions if you become unable to do so | Give copies of the form to your health care providers and the person you chose in the proxy | If your relationship with this person changes or if this person predeceases you |

**Action List**

**What You Can Do Today**

1. **Request** the FREE guide *Top 5 Year-End Gift Ideas* by returning the enclosed 30-second survey.

2. **Visit** our website to learn more about our mission and how you can make a difference.

3. **Contact us** if you have any questions about supporting our organization today or in the future.

BSC Foundation publishes *Financial Connections* as a service to our alumni and friends. Our goal is to provide timely suggestions that may assist you in your tax and financial planning. The information contained in *Financial Connections* is based on recent court decisions, rulings, federal tax laws and regulations now in effect. To determine how this information applies to your financial plans, you should consult your financial, legal and tax advisors. Gifts to BSC Foundation are tax-deductible.