

# The Tracks You Leave Behind

LEGACY AND FINANCIAL PLANNING NEWS  
FOR FRIENDS OF DEFENDERS

## Standing Strong for Wolves

“Defenders is not going to stand by as the federal government gives up on wolves,” says Defenders President Jamie Rappaport Clark in response to the U.S. Fish & Wildlife Service (FWS) proposal to strip federal protections from gray wolves across most of the lower 48 states.

Fortunately, wolves caught a break in February when an independent panel of scientists reported to FWS that its delisting proposal is not based on the “best available science” as mandated by the Endangered Species Act.

“As a former FWS director myself,” continues Clark, “I can’t remember ever seeing a panel unanimously agree that the science underpinning an ESA delisting proposal was not up to par.”

Defenders will continue to press FWS to withdraw its federal delisting proposal and put science first in developing a sustainable recovery plan for wolves throughout the U.S.

Meanwhile, at the state level—in addition to the many challenges posed by Idaho’s attempt to turn back the clock on wolves—Defenders is working with Washington state to ensure fish and wildlife officials manage wolves responsibly, avoiding the lead of a vehement anti-wolf state like Idaho.

In California, we are working in a collaborative process with the state’s Fish and Wildlife Department to

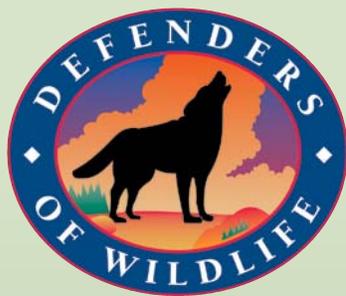


Mexican wolf and pup, © Joel Sartore

develop a science-based state wolf management plan. In Arizona and New Mexico—where a meager population of 83 Mexican gray wolves is struggling to hang on—Defenders helped organize three successful, well-attended “Save the Lobo” events coinciding with federal hearings on these wolves.

But no Defenders’ project better demonstrates our work to change hearts and minds about wolves at the local level than our longstanding work in Idaho’s Wood River Valley. The project now covers 1,000 square miles and has been so successful in reducing conflict between wolves and livestock that other communities have requested our help in similar programs. Most recently, several ranchers and others in Montana’s Tom Miner Basin are now working with Defenders to replicate the success we’re seeing in our Wood River Valley project.

*Visit [defenders.org](http://defenders.org) to learn more.*



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### Inside this Issue...

- Looking for Shelter from Today’s High Capital Gains Tax Rates?
- Let Your Attorney Know How Much You Love Wildlife
- Meet Wildlife Defender Lyn Washington

# Looking for Shelter from Today's High Cap

## Why Not Donate Appreciated Securities or Real Estate to a Charitable Trust and

**A**re you planning to sell appreciated securities or a piece of real estate? If so, consider the benefits to you and wildlife of donating appreciated assets instead to a charitable remainder unitrust (CRUT) for Defenders. CRUTs are becoming increasingly popular in today's economic and tax environment – particularly for individuals at or approaching retirement age.

### What is a CRUT?

A CRUT is a *tax-exempt* trust that can sell appreciated assets that you donate without paying immediate capital gains tax. This means that the entire sales proceeds can be put to work – for you and the wildlife you love. You and/or others would receive lifetime income from your trust. Remaining principal would then be distributed to one or more charities, like Defenders of Wildlife.

### Tax Benefits

Avoidance of immediate tax on the sale of donated assets is particularly important now, with high income taxpayers potentially subject to a 20% capital gains tax rate and a 3.8% net investment income tax. You also get an immediate income tax deduction for a portion of the value of the assets you donate.

### Income you will Receive

You would choose a percentage payout when you create your trust. Your payout each year would typically be your chosen percentage of that year's January 1st trust value. So if your trust grows over time, your income will increase too.

### Donating Appreciated Securities to a CRUT

With the stock market reaching record highs, this is a smart time to donate appreciated stock or mutual fund shares to a CRUT. This is especially true if you need to diversify a portfolio too heavily concentrated in one particular security.



**EXAMPLE:** Jack, age 65, has a stock portfolio that is too heavily concentrated in his company's stock. He donates \$100,000 of the stock with a cost basis of only \$3,000 to a CRUT for Defenders of Wildlife. The CRUT sells the stock tax-free and reinvests the full sales proceeds in a diversified portfolio. If Jack had sold the stock himself, capital gains tax and net investment income tax would have reduced the amount available to reinvest by \$23,086. He chooses a 5% payout and will initially receive approximately \$5,000/year from his trust. Jack also gets an immediate income tax deduction of \$44,935.

### Donating Real Estate to a CRUT

Any type of unencumbered real estate can be donated to a CRUT. This includes a personal residence, a vacation home, a residential or commercial investment property or vacant land.

**EXAMPLE:** Nancy, age 75, owns a ski house

# Capital Gains Tax Rates?

Receive Lifetime Income and Tax Benefits

**“My wife and I both love wildlife, so I used some highly appreciated stock to set up a charitable remainder trust with Defenders. It also helped diversify our portfolio tax-free. The trust will be a valuable source of retirement income for us, and will ultimately be our personal legacy for America’s wildlife.”**

– Loi N., Thousand Oaks, CA

that she no longer uses. Rather than sell it, she donates the property to a CRUT. She purchased the property for \$100,000 and it is now worth \$300,000. The trustee sells the property without paying the immediate \$47,600 combined capital gains tax and net investment income tax that would otherwise have been due on the sale. Each year after the sale, Nancy receives 6% (her chosen payout) of the trust’s January 1st value as revalued each year (initially, about \$18,000/year). After her lifetime, remaining principal will come to Defenders. Nancy also gets an immediate income tax deduction of \$164,637.

## Ways to Leave a Legacy to Defenders

There are many ways to leave a legacy to Defenders. For example, you can:

- ✓ Remember Defenders in your will or living trust: You can leave a set dollar amount, a percentage of your estate or trust value or a specific asset (e.g., your government savings bonds or a valuable work of art or other collectible).
- ✓ Use your beneficiary designation forms to name Defenders as a beneficiary of:
  - An IRA
  - A qualified retirement plan such as a 401(k) or 403(b)
  - A life insurance policy
  - A commercial annuity
- ✓ Title or retitle a bank account as “payable on death” (POD) to Defenders or a brokerage account as “transfer on death” (TOD) to Defenders.

If you decide to remember Defenders in your plans, please be sure to use the legal designation language on page 4.

## Why Keep it a Secret?

Let Your Attorney Know How Much You Love Wildlife!

*Has your attorney asked you if there are causes that you are passionate about and wish to include in your estate plans?*

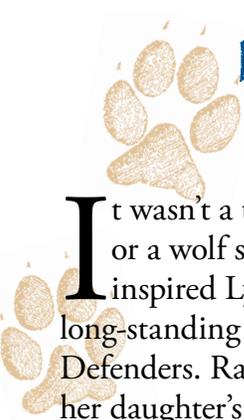
It is very important to have this conversation with your attorney. Lawyers always ask about loved ones you want to provide for. But they don’t always ask about charitable organizations you care about and legacies you might wish to leave to these organizations.

So if you would like to protect wildlife for generations to come, please speak with your attorney about including Defenders of Wildlife in your estate plans. There are many ways to do this (see above), and your attorney can help you find the best strategy to meet your goals.



# Meet Wildlife Defender Lyn Washington

CREATING A LASTING LEGACY FOR AMERICA'S WILDLIFE



It wasn't a trip to Yellowstone or a wolf sighting that first inspired Lyn Washington's long-standing support of Defenders. Rather, it was seeing her daughter's passion for wolves and her daughter's dedication to an animal of slightly smaller proportions—her piggy bank!

"When my daughter was 10, she became fascinated with wolf recovery programs out west," Lyn explains. "She saved up all of her allowance for quite a while so she could make a donation to the cause."

That donation sparked a similar interest for Lyn. "I've always been an animal lover," says Lyn, who lives in New Hampshire. "But it was my daughter who encouraged me to learn more about wolves and wildlife conservation."

"For me, the wolf symbolizes everything that is wild and free

and independent about our world," Lyn explains. "But I'm also inspired by how wolves in a pack are dependent on each other for survival—in the same way

***"I want Defenders important work to continue long after I'm gone."***

— Lyn Washington

that humans must work together to support one another and our environment to ensure our own long-term health. We're all part of one, interconnected network."

Lyn says that's why she's a member of Defenders and why she decided to include Defenders as a beneficiary of her will. "I believe that preserving our natural world is everyone's responsibility and one of the most important things



*Lyn and her dog, Lucy*

we can do in our lives," she says. "Through passionate advocacy and a focus on education, Defenders is an organization that is making a real difference in the world, and I want that important work to continue long after I'm gone." *Defenders is deeply grateful to Lynn for her legacy commitment which will help protect America's wildlife for many years to come.*

## Don't forget...

*Use this legal language when remembering Defenders in your will, trust or beneficiary designation forms:*

**Defenders of Wildlife (Tax ID #53-0183181)** a nonprofit corporation organized under the laws of the District of Columbia with its principal office at 1130 17th St., NW, Washington, DC 20036

*We recommend you seek the advice of an estate or tax professional in connection with any planned gift.*



## For additional information...

ABOUT REMEMBERING DEFENDERS IN YOUR ESTATE PLANS, CONTACT US:

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