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The Tracks You Leave Behind

LEGACY AND FINANCIAL PLANNING NEWS
FOR FRIENDS OF DEFENDERS

Defending Idaho's Wolves

Defenders of Wildlife has always fought for America's wolves. Restoring these magnificent animals to Yellowstone and Idaho is one of the crowning conservation achievements of the 20th century.

But now powerful forces in Idaho are working to unravel that victory, and Defenders is fighting back. Idaho has announced a plan to kill 75 percent of the wolves in the Clearwater National Forest's Lolo District. They blame wolves for low elk numbers—despite overwhelming evidence to the contrary.

“Claims that wolves take a huge toll on elk populations are simply not true,” says Defenders’ Suzanne Stone from our Northern Rockies office, “and a big part of my job is educating the public that wolves are a healthy and important component of our ecosystems. Ultimately, they remove disease from herds by culling weaker animals, thereby playing the important role that nature intended.”



GREY WOLF

Meanwhile, back in Washington, Defenders’ legal team is preparing a challenge to the federal government decision that allowed Idaho to mount this senseless attack in the first place.

“It would be a tragedy for man and wolf alike if Idaho is allowed to turn back the clock,” says Suzanne, who has been working for Idaho wolf conservation since 1988, and she is not about to see that happen on her watch.

For more information, visit <http://www.defenders.org/wildlife/wolf/idaho.html>



Time to Update Your Will?

Legacy plans including your will should generally be reviewed whenever there are important changes in your personal life (see box) or when major tax law changes take effect.

Tax Law Changes Effective January 1, 2006

- **Annual Exclusion Gifts:** The amount that can be transferred to other individuals tax-free each year has increased from \$11,000 to \$12,000.
- The cumulative amount that you can transfer to other individuals over and above your annual exclusion gifts has increased from \$1.5 million to \$2 million. However, only \$1 million of this amount can be transferred tax-free during your lifetime.
- The maximum estate tax rate has been reduced to 46%.

It is a good idea to speak with your attorney to see if your will should be updated in light of these changes. This is particularly important if your will was written before 2001 and you and

your spouse have incorporated a “credit shelter” or “bypass” trust for children into your plans.

Will Power!

With taxes reduced or eliminated for your estate, you now have the power to direct a greater portion of your estate to the individuals or charities you wish to support. The portion of your estate that would otherwise have been lost to estate tax can now be directed to the protection of America’s wildlife, enriching the lives of future generations.

Ways to Provide for Defenders of Wildlife

There are many ways to provide for charitable organizations like Defenders in your estate plans—that will pass free of taxes—including:

- Leaving a bequest in your will. (This can be a set dollar amount, a particular asset or a percentage of your estate).
- Remembering Defenders in your living trust.

Personal Reasons to Review Your Plans

- Births or deaths in the family
- Marriage or divorce
- An out-of-state move
- Appointment of a new executor or trustee
- Substantial changes in estate value or assets
- Changes in your intentions for heirs
- Changes in your charitable objectives

- Naming Defenders a beneficiary of your IRA or qualified retirement plan (see next page).
- Naming Defenders a beneficiary of a life insurance policy.

There are also ways to provide for surviving loved ones through a legacy gift to Defenders. For example, you can establish an arrangement that will provide income to a beneficiary for life, after which Defenders will receive the principal.



IRAs, Retirement Plans Make Ideal Charitable Gifts

You can make a meaningful gift to Defenders of Wildlife through IRAs and qualified retirement 401(k) or 403(b) plans. Too often overlooked as “forgotten assets” when it comes to estate planning, recent changes in tax laws can make these plans ideal to designate for wildlife and habitat protection.

More In + Less Out = Greater Accumulations

Contribution amounts are still phasing in under the 2001 Tax Act. For IRAs, in 2006 it is possible for qualified individuals to contribute \$4,000. Qualified individuals 50 or older can make “catch-up” contributions of \$1,000 this year. For 401(k) and 403(b) plans, maximum allowable contributions this year have increased to \$15,000, with a catch-up of \$5,000 for individuals 50 or older. At the same time, tables issued in 2002 allow for smaller required distributions. With greater allowable contributions, and smaller required distributions, substantial amounts are likely to accumulate.

“Assets of Choice” to Leave to Charity

When helping to choose which assets to



leave to charity, many advisors point to retirement plan assets because, if left to heirs, they may be taxed more heavily than other estate assets. Both estate taxes and income taxes are avoided if Defenders is named as the beneficiary, allowing 100 percent of the plan’s assets to be used as you intend.

It’s Easy to Designate Defenders of Wildlife

IRAs and qualified retirement plans do not pass through your will but according to a “beneficiary designation form” you receive from your plan administrator. With this form, you can name Defenders as the beneficiary of an entire account, or a percentage of the plan’s assets, with the rest assigned to other charities or loved ones. Or, you can name Defenders as the contingent beneficiary in case your primary beneficiary predeceases you. For qualified retirement plans (but not for IRAs), you will need your spouse’s permission if he or she is not named as the primary beneficiary.



Save a Spot for Wildlife

You can remember Defenders of Wildlife in your will or living trust. Or, you can name Defenders as a beneficiary of your IRA, 401(k) or life insurance policy. In appreciation, you will be welcomed into the Wildlife Legacy Society.

Official Designation language: “Defenders of Wildlife, a nonprofit corporation organized under the laws of the District of Columbia with its principal office at 1130 17th Street, NW, Washington, D.C. 20036.” Defenders of Wildlife’s tax identification number is 53-0183181.

Visit www.defenders.org





Meet Wildlife Defender Carroll Ann Hodges

USING ESTATE PLANNING TO SAVE WILDLIFE



Carroll Ann Hodges has been supporting Defenders of Wildlife since 1982. Like other committed and far-sighted donors, she has included Defenders in her estate plans.

A resident of Woodside, California, Carroll Ann spent her early years in Missouri and Texas, moving to California in the 1960s where she earned a Ph.D. in geology at Stanford. Summer camps in the Missouri Ozarks ignited her interest in nature. Working as a camp riding counselor during college summers turned her early love of horses into a life-long passion. “The moment I got my first job,” she recalls, “I



CARROLL ANN HODGES WITH MIDNIGHT CAVALIER

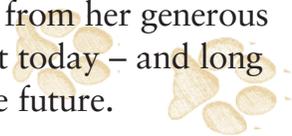
bought a beautiful young chestnut sorrel I named Torch.” She now has her third horse, a lovable black Morgan.

Retired from a career at the U.S. Geological Survey in Menlo Park, Carroll Ann is now serving her third 4-year term on Woodside’s Town Council. She is working to encourage community landowners to donate

private lands through conservation easements to protect habitat for the area’s coyote, foxes, and other wild animals such as the bobcat she was thrilled to see while out riding last fall.

“An animal was trotting along ahead of me,” Carroll Ann happily reports. “Once I saw the tell-tale short tail, I realized it was a bobcat. A moment later, I saw her two kittens trailing behind her. I wasn’t ten feet away from them!”

By including Defenders of Wildlife in her estate plans, Carroll Ann is ensuring that the wild animals she cherishes will benefit from her generous support today – and long into the future.



For more information . . .

ABOUT INCLUDING DEFENDERS OF WILDLIFE IN YOUR WILL, PLEASE CONTACT:

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