Welcome to Applause, the Alley Theatre’s Financial, Estate and Gift Planning Newsletter

Applause is an expression of appreciation for an exceptional performance or a major accomplishment. For over 64 years, the Alley Theatre has been an integral part of the cultural life of Houston by providing theatrical arts programming that reflects high artistic values and community relevance. Thoughtful donors, such as Howard Pieper who is featured in this issue, have included the Alley Theatre in their estate plans to help sustain the success of the Alley for future generations. If you have made a planned gift to the Alley, please contact us so that we can invite you to become a member of the Nina Vance Legacy Society, named in honor of our visionary founder. If you are considering this type of gift, please call us or mail the enclosed reply card.

With this newsletter, we hope to provide useful information on charitable gift planning and how it might positively impact you, your loved ones and the Alley Theatre. For ideas on the various types of planned gifts, please contact our office or visit our website at www.alleytheatre.org/plannedgiving.

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Nina Vance, Alley Theatre Founder
Howard Pieper grew up in San Antonio with a love for opera, but his first introduction to live theatre occurred in Austin during his student years at the University of Texas (UT). As the social chairman of his fraternity, he was contacted by one of the downtown theatres for volunteers to assist with a special road show production of *Harvey*. The performance, starring Joe E. Brown, made such an impression on him that he thought, “If this is theatre, then I need to look into this more.”

Howard graduated early from UT to join in the army and served two years in Korea. His assignment was in intelligence, where he controlled information-gathering flights. After the war, he returned to UT to earn his master’s degree in architectural engineering. Though he met his future wife Betty in college, they both, as Howard notes, “had stupid ideas of agendas and careers.” He was keen to go overseas, and in the 1960s worked for an international consulting firm in Nigeria. When he returned, he and Betty reconnected and soon married. They moved to Minneapolis for 13 months but when snow fell on May 5, they decided they should head back south. As they put it, “If a palm tree won’t grow, tain’t civilized.”

Settling in Houston in 1967, they began attending Alley productions and other arts performances. Howard particularly enjoyed the Neuhaus Stage because of its edgier productions. His wife became an active volunteer for several arts organizations. Everything changed in 1974, when his wife was stricken with cancer, and Howard suffered a major heart attack the week before her death.

Picking up the pieces, Howard decided to start his own consulting firm, which he ran for 20 years. He also became a subscriber to the Alley, the Opera, Symphony and Ballet. His love for travel resumed with frequent trips to Europe, Asia and South America, giving him an opportunity to see theatre and opera productions around the world.

In 1995, Howard took stock of his future and decided to gradually downsize his business and review his estate plan. Of primary concern were his two African Grey parrots, Koko and Sam, which he brought back from Nigeria in 1965. Because of their long life span, he wanted to make sure that they would always have a home. When Koko died in the mid-90s, Howard soon found Bo, a rescue parrot, who is still a bit skittish. Conversely, Sam has a 200-word vocabulary and loves to use it. This summer, Howard and Sam will have been together for 46 years – a remarkable length of time for a pet – and as Howard noted, “One who talks to you, too!”

“Watching a play is not like lying on a psychiatrist’s couch or sitting alone in front of the television. In the theater, you can sense the reaction of your fellow citizens along with your own reactions. You may learn something about yourself, but sharing it with others brings a certain relief – the feeling that you are not alone; you’re part of the human race. I think that’s what theater is about and why it will never be finished.”

Howard’s estate plan includes a permanent sanctuary for his parrots and a philanthropic foundation to support the charities that mean so much to him. The first attorney he consulted told him that he needed tens of millions to start a foundation! After that misinformation was clarified, he soon found a second attorney who agreed that his objectives were reasonable and feasible. When his foundation goes into effect, the Alley Theatre and his other beneficiaries will receive annual gifts as his legacy. Even though he made these arrangements several years ago, Howard makes a point of reviewing his plans to make sure everything is up to date. (See article below on reasons why to review your plans periodically.)

Howard’s steadfast support for the Alley is matched by his strong belief in the excellence of the Alley’s productions. Having seen several productions in New York and London, Howard is convinced that the Alley surpasses them in both quality and affordability. His legacy gift will help the Alley maintain its high artistic values so future generations can experience the life-long impact live theatre has had on him.

*Editor’s note: Joe E. Brown was awarded a Special Tony Award in 1948 for his work in the touring production of Harvey.*

Fourteen Reasons to Update Your Estate Plan

You have completed a will and perhaps a revocable living trust. Your durable power of attorney for healthcare and a living will are accompanied by a HIPAA release. All of your records are safely in place and carefully organized.

So now you are through with your estate planning. Or are you? Will there be changes in your circumstances or your family that should lead to a review of your plan? Could some events cause you to need to revise or update the plan?

Yes, there are a number of reasons to consider revising or updating your plan. These include any of the following reasons:

1. Marriage
2. Birth of a child or grandchild
3. A child reaching adulthood
4. Divorce
5. Death of a spouse
6. Increased value of your assets
7. Acquisition of new assets by gift or inheritance
8. Giving away or selling assets mentioned in your will
9. Death of a beneficiary named in your will
10. Changes in the needs of your beneficiaries
11. An executor dies, moves or becomes disabled
12. A move to a different state
13. Purchase or sale of real estate
14. You decide to make additional bequests, such as a gift for the future support of the Alley.

Take time at least once a year to review your will to ensure that it is up to date with your current needs. New Year’s Day or your birthday can be logical “review dates.” Have your lawyer look at your will every two to three years as well. Changes may have occurred in state or federal laws that could affect the taxation or distribution of your estate.

To make a small change, you may need only a “codicil.” This is simply an addendum that will preserve most of the provisions of your existing will. To make major changes, a completely new will (which specifically revokes all prior wills) may be preferable. Either way, you will need your attorney’s help.

If you would like to make a bequest for the future of the Alley Theatre, our legal name and address are: Alley Theatre, 615 Texas Avenue, Houston, Texas 77002.
Need Help with Organizing and Planning?

The Alley Theatre is offering a free booklet, the Personal Affairs Record, which can be most helpful in establishing or reviewing an estate plan. Such a record can also serve as a key to the successful administration of your estate. The Personal Affairs Record is a 24-page checklist of your personal assets and debts, the location of your will and safe deposit box, your personal advisors, your insurance policies, retirement benefits, information on trusts – in short, all the facts, figures, names and numbers that play a role in your life and in the lives of your beneficiaries.

For a free copy of the Personal Affairs Record, simply return the enclosed card in the envelope provided or call our office. We’ll also be glad to provide you with more information on estate and financial planning and on the opportunities, programs and goals of the Alley Theatre. There is, of course, no obligation.

Make a Tax-Free Gift from Your IRA

Under the extended IRA Charitable Rollover legislation, the owner of a traditional or Roth IRA who has reached 70½ years of age may direct the custodian to distribute up to $100,000 to a charity such as the Alley Theatre through December 31, 2011. Although no charitable deduction is available, the income tax that would be owed on a distribution is avoided. Qualified charitable distributions also count toward the owner’s required minimum distribution (RMD).

An IRA charitable rollover gift might be a good choice for you if you are at least age 70½ and:

- You do not need the additional income necessitated by the RMD; or
- Your charitable gifts already equal 50% of your adjusted gross income, so you do not benefit from an income tax charitable deduction for additional gifts; or
- You do not itemize deductions.

To make an IRA gift, contact the custodian or trustee of your account. Please call our office as well, so that we may ensure proper transfer and receipting of your contribution.

Please note that it is vital that the IRA custodian or trustee make the transfer directly to the Alley Theatre. If you receive a check personally and then write a check to the Alley, you will owe tax on the distribution. Please feel free to contact our office with any questions you have about gifts from an IRA.