

# LEGACY NEWS

ENSURE THE FUTURE OF DANCE AT SAN FRANCISCO BALLET



SPRING 2023

San Francisco Ballet School Students in Balanchine's *A Midsummer Night's Dream* // © Erik Tomasson

## WORLD-CLASS GIVING

Maya Angelou famously said, “Do the best you can until you know better. Then when you know better, do better.”

Dana Tom lives by this motto, and he continually strives to better the world by making a positive impact—particularly through the arts.

Dana grew up in San Francisco. He attended Stanford University, where he earned bachelor’s and master’s degrees in electrical engineering. He worked in software development, creating business software and video games.

Growing up watching Gene Kelly and Fred Astaire in MGM musicals with his family, Dana formed a love for music, theater and dancing. In 1987, Dana’s wife, Nancy Kawakita, introduced him to San Francisco Ballet, and the Toms became subscribers in 1993.

“Ballet helps me see the music,” Dana said. “And I’m always so impressed by San Francisco Ballet’s willingness to take risks that show audiences new ways of thinking about and appreciating the art form of ballet.”

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Nancy and Dana Tom



## GIVE THROUGH YOUR IRA

Many generous donors have taken advantage of a unique opportunity to support San Francisco Ballet through their retirement plans. Tax laws allow IRA owners age 70½ and older to make gifts called qualified charitable distributions (QCDs) directly from their IRAs. If you are interested in this tax-wise way to give, consider the following:

- ▶ Those age 70½ and older may make transfers to San Francisco Ballet.
- ▶ Eligible gifts may be made only from traditional or Roth IRAs, not 401(k)s or other qualified retirement plans.
- ▶ In 2023, you can give any amount up to \$100,000. (Those still contributing to an IRA will need to reduce any QCD by that amount. The maximum QCD amount will be indexed for inflation in future years.)
- ▶ Transfers can be made only to public charities, not donor advised funds or private foundations. A one-time election can be made to fund a charitable remainder trust up to

\$50,000, with the IRA owner and/or spouse as the only eligible recipients. All payments are taxed at ordinary income rates.

- ▶ QCDs can count towards any required minimum distributions (RMD) for the year. RMDs begin at age 73 this year.
- ▶ Although no charitable deduction is allowed, you can avoid income taxes by reducing taxable distributions from your IRA, resulting in tax savings.
- ▶ Distributions must be made from the IRA custodian or trustee directly to San Francisco Ballet; otherwise, income taxes are owed if the distribution is made to the IRA owner who then makes a gift. (Note: If you have an IRA checkbook, you may use it to make your QCD, but you cannot endorse a check from your IRA administrator to charity as a QCD.)

Contact us or your advisors for more information.

# THREE THINGS TO REMEMBER ABOUT BENEFICIARY DESIGNATIONS

A will and a revocable living trust are vital tools when it comes to estate planning. But don't forget that a large part of your estate will pass through beneficiary designations from life insurance policies, retirement accounts and other arrangements. Thus, it is important to carefully consider who best to receive these assets.

**1. Understand the basics.** You can name beneficiaries for a broad range of assets, including retirement plans, annuities and financial accounts. When you designate a beneficiary, those assets will pass directly to that individual or organization; they will not need to go through the probate process, which can be costly. Generally, if you fail to name a beneficiary, your assets will pass either according to your will or according to state law if you have no will.

**2. Don't forget to review.** Beneficiary designations will override bequests directed in your will, so it's crucial to review your beneficiary designations on a regular basis (along with your will and other estate documents).

**3. Consider the tax consequences.**

It's wise to get professional advice when naming beneficiaries because some assets, especially retirement accounts, create income tax burdens for heirs. Those who own IRAs and other retirement accounts are often surprised to learn a large percentage of their accounts may be lost to estate and income taxes, leaving little remaining for loved ones. Instead, you can leave all or a portion of an IRA to San Francisco Ballet and leave other assets to your loved ones. Simply contact the administrator of your IRA for more information and a change of beneficiary form.

For more information, please contact Hayleigh Thompson at 415-865-6623, [hthompson@sfballet.org](mailto:hthompson@sfballet.org) or visit our website [www.sfballet.org](http://www.sfballet.org).

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## DID YOU KNOW?

Though the minimum age for making QCDs remains at 70½, the **SECURE 2.0 Act** gradually increases the age at which IRA owners must begin taking required minimum distributions. In 2023, the age at which withdrawals must begin is 73. Does it still make sense to make charitable gifts from an IRA if the contribution does not satisfy required minimum distributions? For many eligible donors, the answer is yes. Many donors age 70½ or older are unable to itemize their deductions and therefore receive no tax benefit from their charitable gifts. Making a gift from an IRA involves funds that have never been subject to income tax, unlike a check written with after-tax dollars.

Sasha Mukhamedov and Joseph Walsh in  
Possokhov's *Violin Concerto II* © Lindsay Thomas



## FOR MORE INFORMATION, PLEASE CONTACT:

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San Francisco Ballet

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San Francisco Ballet backstage during a performance  
of Tomasson's *Swan Lake* // © Erik Tomasson





SAN FRANCISCO BALLET  
TAMARA ROJO, ARTISTIC DIRECTOR

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# THE JOY OF GIVING *continued from Page 1*

In recognition of the “joy and inspiration” the Ballet provides, Dana chose to name us as a beneficiary of his IRA. “I’m very fortunate to share some of my financial good fortune with San Francisco Ballet. I simply went online and updated my list of beneficiaries. I didn’t have to involve any lawyers. The whole process took about five minutes.”

Alongside their long-term support, the Toms support San Francisco Ballet annually through a donor advised fund. “I give yearly because ticket prices won’t cover the cost of the ballet we expect and love: the dynamic lighting, the music, costumes, top-notch performers—there’s so much that goes into making this ballet world-class.”

Dana also supports education initiatives and community and social justice organizations. He has served on the Palo Alto board of education, in his local Rotary Club and with local theater groups.

“Like Maya Angelou said, when we know better, we can do better. The arts are an essential part of our culture and humanity. Art helps us to make sense of the world, to understand what it means to be human and to ultimately make the world a better place,” Dana shared. “I want my giving to have a positive impact. San Francisco Ballet will continue to evolve, and I’m honored to support that growth.”