

Stock gifts: Answers to common questions

Q. *Who can give a stock gift?*

A. Any Sealaska shareholder can be a donor.

Q. *Who can receive a stock gift?*

A. Recipients can be the donor's child, grandchild, niece, nephew, brother, or sister, either by birth or by legal adoption.

Q. *What about a spouse's relative?*

A. The recipient must be related to the donor by blood or adoption, not by marriage. Therefore, a spouse's niece, for example, may not be a recipient.

Q. *Does the recipient have to be an Alaska Native?*

A. A gift recipient must be either an Alaska Native or a descendant of a Native, including adopted descendants. Therefore, a recipient need not have a particular blood quantum to be eligible to receive a gift of shares.

Q. *Why do shareholders give away some of their shares?*

A. Shareholders give gifts of shares for all kinds of reasons: to celebrate a child's or grandchild's 16th birthday; to celebrate a high school graduation; to pass shares from a non-Native parent or grandparent to a Native child; to give Natives born after the enrollment cutoff date a stake in their corporation.



Q. *How many shares can a shareholder give away?*

A. A shareholder can give any number of shares, from one share to the shareholder's entire stock.

Q. *Can a gift include a fraction of a share?*

A. No, the gift must be in whole shares. For example, a donor who wishes to divide 50 shares among three children will give 17 shares to each of two children and 16 to the third.

Q. *Can the donor revoke, or undo, the gift later? Or can the recipient return the shares to the donor?*

A. No. Once a gift of shares is made, the donor has no further authority over the shares. The law does not provide for gifts to parents, grandparents, aunts, or uncles, so the recipient may not return shares unless the returning recipient is an adult brother or sister. Therefore, we advise you to consider carefully whether to make a gift of shares.

Q. *Is a gift of shares to a minor any different?*

A. If the recipient is under age 18, the shares will be held by a custodian until the recipient reaches age 18. The custodian is usually a parent or legal guardian.

Q. *How long does it take to give a gift of shares?*

A. Once Sealaska has the properly completed documents from both donor and recipient, Shareholder Services staff can transfer the shares in approximately 10 days.

Q. *What are the tax consequences of a gift of shares?*

A. We don't know. Federal or state tax liability, either to the donor or to the recipient, may arise from a gift of shares. Donors and recipients should consult their tax advisors concerning possible tax liability. Whatever taxes may be owed will be the responsibility of the donor or recipient, not of Sealaska.

Q. *Can a shareholder provide for family members or others to receive the shares in any way besides stock gifts?*

A. Yes, shareholders can always indicate by will how they want to leave their shares upon their deaths. There's a special one-page will just for Native corporation shares – called a testamentary disposition form – that you can fill out quickly to ensure that your shares pass at your death just as you want them to. Sealaska's Shareholder Services office can give you a testamentary disposition form and answer your questions in filling it out.

Dear Sealaska Shareholder,

The Alaska Native Claims Settlement Act (ANCSA) permits Native corporation shareholders to give part or all of their shares as gifts. Sealaska Corporation established its stock gift program in 1988, when ANCSA first allowed the gifts. Over the years, we have answered many shareholder questions about giving stock gifts. This brochure answers some of the most common queries.



For a complete set of forms and information you may need to gift Sealaska Corporation stock, please contact:

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opportunity to
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members"*

