Charitable Planning

Due to recent stock market gains, outright contributions of appreciated securities, held long-term, have helped donors limit their tax bills as they locked in their gains or diversified/rebalanced their portfolios.

Charitable Gift Annuities (CGAs) funded with appreciated securities held long-term also are especially attractive in keeping the fair market value of the contributed securities intact and increasing the donor’s income. Because CGAs provide fixed payments for life, some donors look upon them as part of their “fixed-income” portfolio. CGA payments are higher than current market rates of interest since they are based upon the age of the annuitant(s) at the time of the contribution.

CGA payments are taxed favorably to the donor, especially in this time of historically low interest rates. Only a small percentage of the annuity is taxed as ordinary income, with the remainder reported as a tax-free return of principal or taxed at capital gains rates, depending on the cost basis of the contributed securities.

Other donors have found a contribution of cash to a CGA attractive because of the tax-free return of principal. Recently, a Hamilton alumnus, age 72, contributed $100,000 to a CGA, which will provide him with annual distributions of $5,400, nearly $4,000 of which is tax free.

To calculate the benefits of a charitable gift annuity, go to www.hamilton.edu/PlanningYourGift and click on “Gift Calculator” or return the reply card and we will mail you a sample calculation.
Follow the Lead of Alumni, Parents and Friends

For generations, alumni, parents and friends have been generous to Hamilton through their estate plans. Additionally, since the 1950s, increasing numbers of them have completed life payment gifts, essentially entrusting a portion of their retirement assets to the College. Today Hamilton has one of the largest portfolios of life payment gifts of any liberal arts college and the expertise to assist donors accomplish multiple objectives, including supporting future students, while saving taxes and increasing income. The Ellises are a prime example of a couple who took both actions.

Many Remember Him as “Spooly”

Legions of alumni had the pleasure of taking courses taught by Publius Virgilius Rogers Professor of American History David M. Ellis, Class of 1938, believed by many to be one of the foremost authorities on New York State history. He was the principal author of New York: The Empire State, which went through five editions and became a standard grade school text. The ultimate teacher and scholar, eager to share his knowledge, David Ellis was not so much interested in philosophy or theories of history as he was the painstaking accumulation, examination and interpretation of facts. In the words of Professor Jay Williams ’54, “These details, spooled out to the class in a way which gave him the nickname ‘Spooly,’ were always offered with a broad and humane perspective and with many a humorous aside.”

When Hamilton received a generous unrestricted estate gift from Carolyn C. Ellis, widow of David Ellis, the Board of Trustees passed a resolution establishing the Carolyn C. and David M. Ellis ‘38 Chair.

Carol’s gift says so much about her and her husband. Beyond his excellence in the classroom, he and Carol were supportive of extracurricular activities on the Hill, generous volunteers for the College and in the greater Utica area, and were welcoming to students and alumni in their home. Prior to their marriage in 1953, Carol was a professor at Cornell.

During their lifetimes, David and Carol established a book fund, made contributions to each of Hamilton’s three pooled income funds, became the first charitable gift annuity donors and were charter Joel Bristol Associates.

Your Retirement

Donors have found that life payment gifts can capture the value in appreciated assets and supplement retirement income.

A Charitable Remainder Unitrust allows you to make a gift that ultimately supports the College while providing you or another beneficiary with quarterly payments. You will save income tax and potentially capital gains and estate taxes. A unitrust provides variable payments expressed as a percentage of market value on the annual valuation date, and a special version allows payments to begin when you retire.

A Charitable Gift Annuity is one of the simplest and most popular ways to enjoy the satisfaction of a gift, while receiving fixed payments for life and saving income taxes. The charitable deduction and payment amount depend on the number and ages of the annuitants.

Please return the reply card to receive sample Will language and/or calculations that demonstrate the benefits of life payment gifts.

Your Estate Plan

There are four primary reasons to have a Will:

- Protect your assets for family and loved ones. An estate planning attorney can maximize the benefit your family and loved ones derive from your assets.

- Provide guidance so that your wishes are carried out. Your Will can be written in a manner to make your specific desires clear, leaving no room for ambiguity.

- Select appropriate individuals to carry out your wishes. You can appoint a guardian for minor children and name an executor to administer your estate.

- Assist others after your lifetime. You can help to provide an education for Hamilton students and leave a personal or family legacy with a charitable bequest. When it comes time to prepare your first Will or modify an existing one, please consider including the College.