

INTERESTED
IN HOW A PLANNED GIFT
CAN WORK FOR YOU?

FOR A CONFIDENTIAL,
NON-BINDING ILLUSTRATION
OR FOR MORE INFORMATION
REGARDING PLANNED GIFTS
AND BEQUESTS,
PLEASE CONTACT

EVE FORBES
DIRECTOR OF GIFT
PLANNING
(860) 297-5353
EVE.FORBES@TRINCOLL.EDU

ANDREW MILLER
ASSOCIATE DIRECTOR
OF GIFT PLANNING
(860) 297-5396
ANDREW.MILLER@TRINCOLL.EDU

50th

AN ADMITTED SUCCESS: SPIKE GUMMERE '61

When Trinity's F. Gardiner F. Bridge signed Francis "Spike" Gummere's letter of admission in 1957, he had no way of knowing he was accepting a young man who would spend his entire career in higher education.

Spike came to Trinity after Jake Edwards '59 preceded him from Wellesley High School and spoke highly of the College. During his time at Trinity, he was a history major, manager of the Bantam baseball team, a junior advisor, a member of Alpha Delta Phi and the Sophomore Dining Club, and one of the few members of his senior class to be married.

Gummere was also introduced to the importance of financial aid when he worked in Trinity's admissions office the summer before, and then during, his senior year. He returned to Trinity after four years in the Clarkson College admissions office to become the College's first director of financial aid, as well as the assistant director of admissions.

Spike left Trinity in 1968 to succeed Jake Edwards '59, the same man who had convinced him to attend Trinity, as director of admissions at Lake Forest College. In subsequent years, he was dean of admissions, vice president of enrollment, and is trying to work his way towards retirement as special assistant to the president, raising money from those he admitted years ago. Gummere estimates he

has signed letters of admission for 65 percent of the living Lake Forest College alumni body.

Reflecting on his lifelong work in higher education, Spike believes "there is no greater need than for Trinity College to be available to students regardless of their socioeconomic background." For his 50th Reunion, he funded a \$100,000 life income gift and shared his intention to include Trinity generously in his estate plans, which will ultimately support The Class of 1961 Scholarship, The Jacob W. Edwards Memorial Scholarship Fund (which assists a student who has completed his or her first year and provides financial assistance for the remaining undergraduate years), and athletic endowment.

Through a deferred payment gift annuity that will pay Spike and his wife, Judy, for their respective lifetimes, they were able to convert appreciated, low yielding securities into payments that will return \$5,300 each year for the rest of both of their lives. With the gift, he avoided a significant capital gains tax, greatly increased the income benefit from those assets, received an immediate federal income tax charitable deduction, and helped further endow one of the College's most important and enduring investments: financial aid for future generations of Trinity students.



ESTATE PLANNING UNDER NEW TAX RULES



By Nelson Toner '81

On December 17, 2010, Congress passed and the President signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the "Act"). The Act is a short-term holiday gift to taxpayers who are planning for lifetime and death time transfers of assets. The Act increased the estate tax exemption amount and the gift tax exemption amount, set one estate tax and gift tax rate, and allows for the portability of unused estate tax exemption from one spouse to another spouse. Unfortunately, the Act is not permanent—its provisions sunset (unless Congress and the President pass additional legislation) on December 31, 2012.

CHANGES TO THE FEDERAL ESTATE TAX

For the years 2002 through 2009, the estate tax exemption amount had grown to \$3.5 million for each decedent. The estate tax exemption amount is the amount of assets in a decedent's estate below which there would be no federal estate tax. In 2010, the federal estate tax was repealed. For the years 2011 and 2012, the Act increases the estate tax exemption to \$5 million. Therefore, more of the decedent's assets are protected from the federal estate tax.

In 2009, the maximum federal estate tax rate was 45 percent. Because of the repeal of the federal estate tax in 2010, there was no federal estate tax rate. The Act sets the federal estate tax rate to 35 percent.

The Act introduces the concept of portability of the federal estate tax exemption among spouses. If the estate of the first spouse to die does not use all of his or her federal estate tax exemption, then the remaining federal estate tax exemption can be passed to the surviving spouse. The estate of the surviving spouse can then use his or her estate tax exemption and the remaining estate tax exemption from the first spouse to die to protect more assets from federal estate tax.

As stated above, the federal estate tax was repealed in 2010. In 2010, the decedent's estate was not subject to federal estate tax but, in general, his or her assets passed to his or her beneficiaries with a carry-over basis (the adjusted tax basis in the hands of the decedent was the same as the adjusted tax basis in the hands of the beneficiaries). Prior to 2010 and under the Act, the deceased's assets passed (or will pass)

SUMMARY OF NEW TAX RULES EFFECTIVE DECEMBER 17, 2010

1. Federal estate tax exemption increased to \$5 million and estate tax set at 35 percent
2. Portability of the federal estate tax exemption among spouses
3. Federal gift tax exemption set at \$5 million and gift tax set at 35 percent
4. These tax rules will sunset on December 31, 2012

to his or her beneficiaries with an adjusted tax basis equal to the fair market value at the date of death. Therefore, even though the estate of a decedent dying in 2010 may not have been subject to the federal estate tax, the beneficiaries may have received assets with low or no basis. The beneficiaries faced higher taxes upon the sale of these assets. The Act allows the estate of a decedent to choose between the 2010 rules (no federal estate tax and no step-up in basis) or the post-2010 rules (a \$5 million federal estate tax exemption and step-up in basis). Each estate should carefully assess the benefits of each taxing system and determine which provides the best overall tax results for the estate and the beneficiaries.

CHANGES TO THE FEDERAL GIFT TAX

Perhaps the most significant change made by the Act is to increase the federal gift tax exemption. Since 2002, the federal gift tax exemption had been \$1 million. The federal gift tax exemption is the amount of assets transferred during life below which there would be no gift tax. A taxpayer could transfer up to \$1 million (above the annual gift tax exclusion*) during his or her lifetime without paying federal gift tax. The Act increased the gift tax exemption to \$5 million. Therefore, taxpayers have the opportunity to make larger gifts in 2011 and 2012 and reduce the size of their estates.

In 2010, the tax rate for a taxable gift was the highest income tax rate. The Act set the gift tax rate at 35 percent.

DO NOT FORGET STATE ESTATE TAX RULES

So far, only the changes to the federal estate tax and gift tax rules have been discussed. Many states also have separate estate tax rules and a few states have separate gift tax rules. When planning, the taxpayer must also consider these state tax rules and how they can be integrated with the new federal estate tax and gift tax rules.

The Act provides all individuals a unique opportunity to review their estate planning and gift planning strategies and successfully satisfy their planning goals with lower tax costs. However, one must always watch the horizon, because these new rules may sunset at the end of 2012.

Nelson Toner '81 is a member of Bernstein Shur's Tax, Trusts, and Estates, Real Estate, and Business Law Practice Groups. Nelson's practice focuses on international, federal, and state tax planning; business succession planning; and estate planning.

Nelson counsels individuals on estate planning matters such as the use of revocable and irrevocable trusts, gift planning, and family limited partnerships and limited liability companies.

In 2007, Nelson was selected by his peers as the recipient of the Barnett I. Shur Community Service Award in recognition of his years of service in Maine. Nelson is recognized by Best Lawyers in America for his tax work.

*In 2010 and 2011 you can gift up to \$13,000 per person, per year, without incurring any federal gift tax. These "annual exclusion gifts" are not subject to the federal gift tax and therefore do not use any of the gift's lifetime exemption.



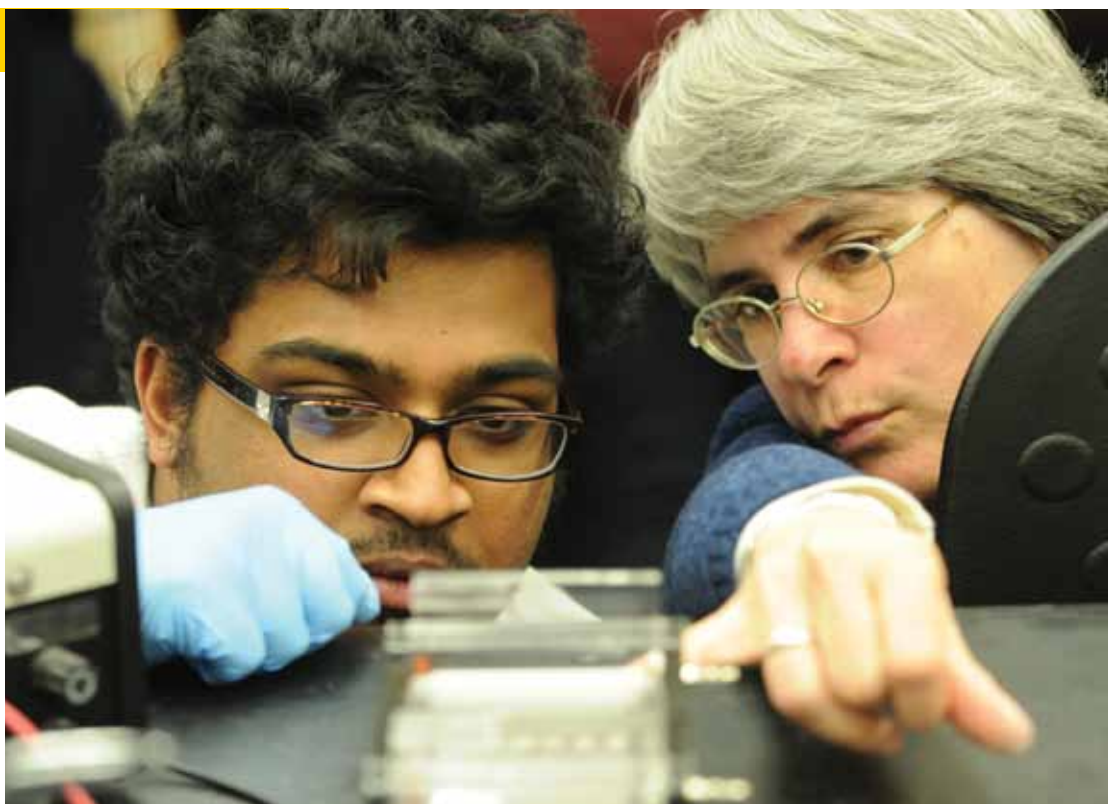
Trinity Chamber Ensemble musicians rehearse "Sonata in C Minor" by Johann Joachim Quantz



Jonathan Cox '89 leads a session during Bantam Boot Camp, an intensive week for Trinity students interested in careers in finance and consulting



Trinity College men's squash team wins their 13th-consecutive national championship



Pratheek Kalyanapu '12 and Professor Kathleen Archer, director of the Genomics Research Program, conduct research in the DNA lab

ENVISION, ENRICH, ENDOW | Tomorrow's Trinity LEGACY CAMPAIGN REACHES \$58 MILLION

Nearly 500 Trinity alumni, parents, and friends have joined The Elms Society—including almost 200 new members since the Legacy Campaign began in July 2006—by making planned gifts or notifying the College of their estate plans. Over \$58 million in new bequest intentions have been documented.

Estate gifts enable the College's leadership to better plan for Trinity's future and build the College's endowment.

To be a partner in this critically important initiative, please consider a future gift through one of the following gift opportunities:

- Wills
- revocable trusts
- retirement assets, of which Trinity is a beneficiary
- proceeds from life insurance policies of which Trinity is a beneficiary

www.trincoll.edu/givingtotrinity/plannedgiving

For more planned giving information or to join The Elms Society, please visit our Web site.



- Learn what type(s) of gift(s) could accomplish your goals.
- Gather information for your Will.
- Register for membership in The Elms Society.
- Discover new information about estate planning.

The Elms Society of Trinity College

New Members of The Elms Society since July 1, 2010

Anonymous

The Hon. Patrice Ball-Reed '80 ◊
Mr. Donald E. Callaghan '68
Mrs. Sarah Koepfel Cohn '83 ◊
Mr. Rodney D. Day III '62, P'85 ◊
Dr. Hugh W. Ewart IV '61
Mrs. Lillian F. Fernandez P'11, '13
Mr. Luis J. Fernandez P'11, '13 ◊
Dr. Bruce H. Frank '60
Mrs. Elizabeth A. Garrison
Mr. Richard L. Garrison '51
Mr. Ronald E. Griggs '51
Mr. Spike B. Gummere, Jr. '61
Mrs. Judith B. Gummere
Ms. Lisa M. Heilbronn '76
Mrs. Martha E. Pitman Howland P'88
Mr. William C. Howland '63, P'88
Mrs. Carol M. Kirtz
Mr. William Kirtz '61
Prof. Randolph M. Lee '66
Dr. Alexander H. Levi '67 ◊
Mr. Charles E. Levine '75
Mr. William K. Marimow '69 ◊
Mr. Antony Mason '52
Mr. Robert S. Price, Jr. '68
Mrs. Nancy F. Richardson
William C. Richardson, Ph.D. '62 ◊
Mr. Thomas R. Savage '72 ◊
Mrs. Irma K. Schachter
Dr. Allen M. Schneider '60
Mrs. Allen M. Schneider
Mrs. Doreen R. Stempien P'93
Mr. Vincent R. Stempien '61, P'93
Mrs. Morgan Rissel Tarr '98
Mrs. Cornelia Parsons Thornburgh '80 ◊
Mr. Ronald V. Waters III '74, P'06 ◊

◊ Trustee



300 Summit Street
Hartford, CT 06106-3100

Presort
First Class Mail
U.S. Postage
PAID
Permit 1378
Hartford, CT

The Astute Philanthropist

ISSUE 3

April 2011

EDUCATE THE NEXT TRINITY GENERATION WITH TAX-FREE GIFTS FROM YOUR IRA

NOW

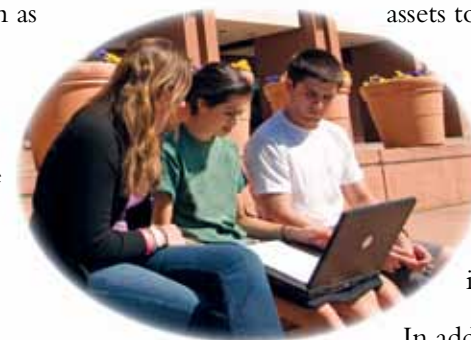
Included with the new legislation passed at the end of 2010 was the renewal of a law that allows individuals age **70½ or older** to make tax-free gifts in 2011 of up to \$100,000 to qualified charitable organizations, such as Trinity, using funds transferred directly from their IRAs.

Your Benefits

- The transfer generates neither taxable income nor a tax deduction, so you will receive the benefit even if you do not itemize your tax deductions.
- The transfer may count against your unsatisfied required minimum distribution.
- You will make an immediate impact on Trinity College, allowing you to witness the benefits of your generosity.

LATER

Most retirement plans are income tax-deferred, meaning that income tax is not paid until the funds are distributed. This taxation makes retirement assets among the most costly assets to distribute to heirs.



The income taxes on retirement assets you leave to your loved ones can be as high as 35 percent. Trinity College is tax-exempt and eligible to receive the full amount. Other tax-exempt assets can be left to your loved ones to ensure they receive the entire intended amount.

In addition, establishing Trinity as beneficiary is remarkably simple. With most plans you can name the College to receive a percentage or the entire balance of your retirement plan through your administrator's Web site or by requesting and completing a change of beneficiary form.

The above information is for illustration purposes only and should not be considered legal, accounting, or other professional advice. Please consult your own adviser.

ISSUE

3

April
2011

Great Ideas from
The Office of
Gift Planning at
Trinity College

Trinity College The Astute Philanthropist

Thank
you!

YOUR CONTINUING
SUPPORT OF
TRINITY COLLEGE
AND ITS MISSION
MAKES SUCH A
DIFFERENCE IN THE
LIVES OF TRINITY
STUDENTS.
YOUR GENEROSITY
HAS A SIGNIFICANT
IMPACT ON SCORES
OF BRIGHT MINDS
WHO WILL, IN TURN,
INFLUENCE SOCIETY.



in this issue

Environmental Science Bequest	1
Spike Gummere '61	2
New Estate Planning Tax Rules	3-4
Legacy Campaign Reaches \$58 Million	5
Tax-Free Gifts from Your IRA	6

BEQUEST WILL BENEFIT GROWING ENVIRONMENTAL SCIENCE PROGRAM



Trinity has received a \$1.2 million bequest from the estate of Thomas McKenna Meredith '48, which will establish a permanent endowment at the College to support the appointment of a faculty member in the Environmental Science Program. The gift came to Trinity through a trust that first benefited Meredith's son and then the College.

"It was a pleasure to contact Trinity to let them know about our dad's gift," said Melissa Meredith. "My brother Bill and I are delighted to see this endowed fund established in his honor. Our father had two passions in life—small growth stocks and Arctic travel. His smart investments over the years will now benefit his alma mater; perhaps Trinity students will even learn about the Arctic in an environmental science course. He would be pleased."

While at Trinity, Meredith majored in science and was a member of Alpha Chi Rho. He served in the U.S. Navy during World War II and completed 30 years of service in the U.S. Naval Reserve, from which he retired as

a commander. A longtime resident of Hartford and Green Hill, Rhode Island, Meredith was the retired chairman of the investment firm Coburn & Meredith. Meredith traveled extensively, most notably in the Arctic and Antarctic.

Dean of Faculty Rena Fraden said, "We are grateful for Mr. Meredith's generous gift and what it will make possible for a vibrant, yet relatively young, academic program. Environmental science draws together diverse branches of learning, from geophysics and engineering to biology and chemistry, with an interdisciplinary approach that transcends departmental boundaries. This gift will enable us to strengthen an important academic program at Trinity."

In 2000, Trinity established its Environmental Science Program in response to dramatic growth in the field and a surge in student interest. An overwhelming response from students led to the establishment of the environmental science major in 2002. In 2008, again to meet growing interest, program faculty established a minor. Meredith's generous bequest will not only help educate the 30 current environmental science majors, but also benefit future students who wish to explore this field.