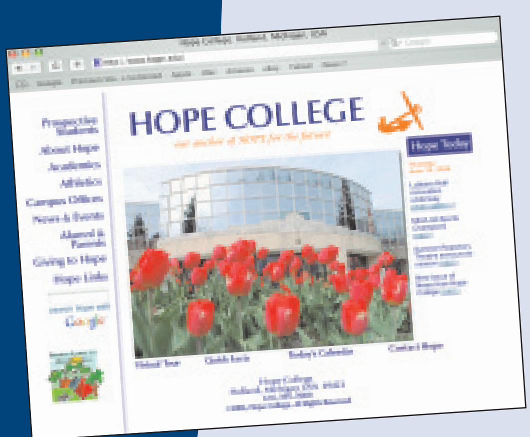
Welcome New Dimnent Heritage Society Members!

The following alumni and friends have joined the Dimnent Heritage Society this fiscal year (beginning July 1, 2006) by providing for Hope College in their estate plans or otherwise participating in a planned gift (charitable trust, gift annuity or beneficiary designation of an IRA or life insurance) with Hope College.

Rev. William R. and Mrs. Claire C. Boersma
Betty D. Cook
Dr. David and Mrs. Alverna De Visser
Mr. Roger Hansbrough
Dr. William H. and Mrs. Mary Holleman
Mr. Jon and Mrs. Marla Lunderberg
Rev. Dale D. and Mrs. Catharina Matthews
Rev. Jack H. Millard and Mrs. June Veldheer-Millard
Mrs. Arlene Muilenberg
Mr. John H. and Mrs. Connie Ryskamp
Dr. David Stehouwer and Alberta Ruble
Rev. Peter J. and Judith Theune
Mr. Myron D. and Mrs. Mae A. Van Ark
Mr. William G. Van Dyke
Mr. N. Jan and Mrs. Carol Wagner
Mrs. Elaine Walchenbach
Dr. Kenneth J. and Shirely Weller
Mr. Thomas L. and Mrs. Karla Wolters

All students, alumni and friends of Hope are cherished and we are grateful for the support and passion of all members of the Dimnent Heritage Society. For more information regarding the Dimnent Heritage Society, please contact the Hope College Office of College Advancement at 141 East 12th St., P.O. Box 9000, Holland, MI, 49422-9000 or (616) 395-7775.

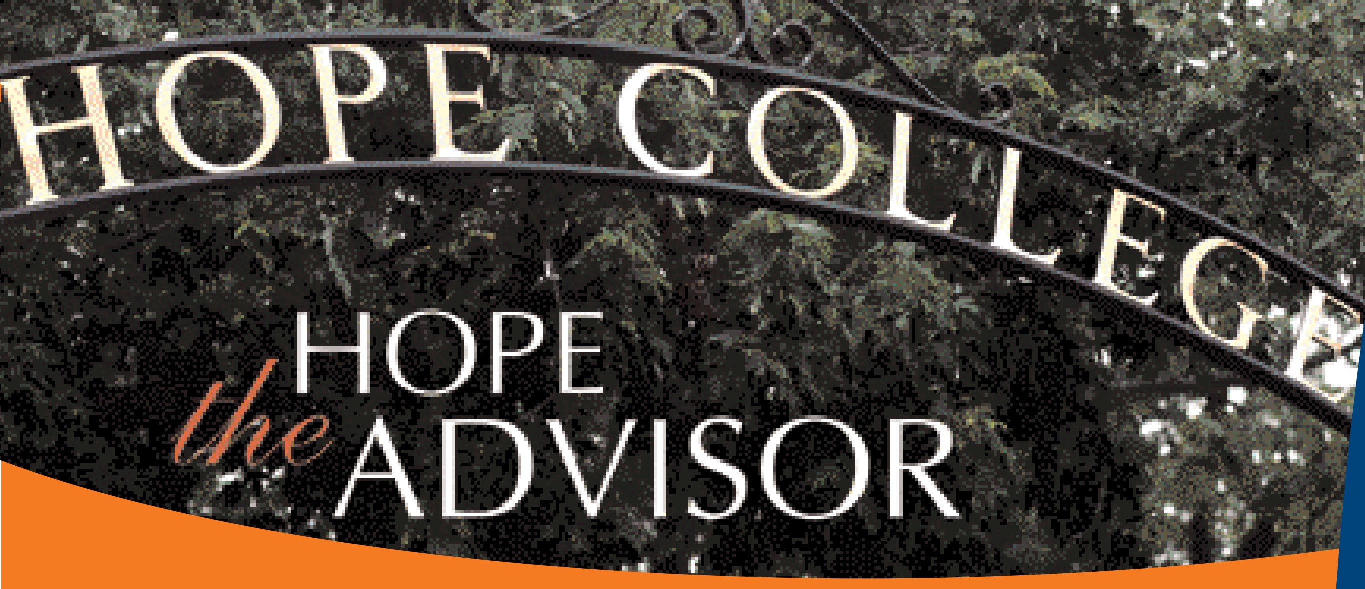
Build Your Gift Today—Free Online Tools



If you want to make a lasting gift to support the important work of Hope College but you are not sure what type of planned gift best meets your objectives, check out our **Build Your Gift** feature at **www.hope.edu/advancement.** Click on **Giving Opportunities** and select **Planned Giving.** Simply answer a few quick questions about your financial and philanthropic goals, and the system will recommend a planned gift that may be right for you.

Within minutes, you can identify a planned gift that will meet your needs and ours. Give **Build Your Gift** a try today. When it comes to creating a legacy for the future, there is no time like the present!

HOPE COLLEGE
Office of College Advancement
P.O. Box 9000
Holland, MI 49422-9000
Direct: (616) 395-7775
Fax: (616) 395-7899



the HOPE ADVISOR

IDEAS FOR GIFT AND ESTATE PLANNING FROM HOPE COLLEGE

Winter 2007

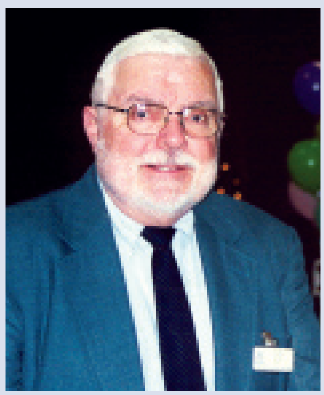
Richard "Dick" Huff '52

A CONTINUED COMMITMENT TO SUPPORT

This is not the first time Richard "Dick" Huff, Class of 1952, has appeared in *the Hope Advisor*. He has faithfully and consistently supported Hope College for more than 30 years. Dick annually contributes to the Hope Fund and the Janet Mulder and Metta Ross Endowed Scholarship. Over the past dozen years or so, he has established four charitable gift annuities (two in the past two years), invested in the pooled income fund and included Hope College as a large beneficiary of one of his IRAs.

Dick has found his investment in and with Hope College beneficial to himself and the college. In recent years, Dick has continued to partner with Hope College in his financial and estate plans. "(Partnering with Hope College) is good financial strategy for me because it generates a lifelong income stream, allows me to take advantage of tax reduction opportunities and allows me to pursue my philanthropic interests during my lifetime," Dick says. "All of this is very rewarding to me both financially and personally."

After working in the bond market in New York City for 38 years, Dick returned to Holland and firmly established himself in both the Holland and Hope College community. He is



Richard "Dick" Huff '52

delighted to have made personally meaningful gifts that give talented young women and men the opportunity to attend his alma mater. As Dick consistently says, "The type of support I've given to Hope College is an investment that returns many dividends to students."

We are all thankful for the opportunities that are made available to Hope College students through generosity, partnership and foresight of friends like Dick.

LEARN MORE

To learn more about how you can create a legacy of support for Hope College, contact the Office of College Advancement at (616) 395-7775.

"The type of support I've given to Hope College is an investment that returns many dividends to students."

—Richard "Dick" Huff '52

Estate Planning for Retirement Assets:
Combining Taxable Assets and Tax-Free Beneficiaries

During your life, retirement plans such as 401(k)s and individual retirement accounts (IRAs) can offer significant tax savings. You often don't pay income tax on the money contributed, and the income and growth in the account can benefit from many years—sometimes even decades—of tax-deferred growth.

After your life, however, it is a very different story. Without thoughtful planning, retirement assets are the least tax-efficient assets to own in an estate because they are "income in respect of a decedent" or "IRD." Because IRD assets were tax-deferred during life, at death they are subject not only to estate tax, but also to income tax at death. The following example illustrates just how high the combined taxes on IRD assets can be.

Jane works very hard and has set aside funds in her company's 401(k), which will grow to $1 million at the time of her death. Her other assets consist of a residence worth $1.5 million and an after-tax investment portfolio worth $500,000. Combined, Jane has a taxable estate of $3 million. Suppose Jane is widowed at the time of her death, and she has two children who will survive her. Because the amount Jane can pass estate tax-free to noncharitable, nonspousal beneficiaries is $2 million in 2007, her estate has $1 million that is potentially subject to estate tax. If Jane left her entire estate to her children, the taxes on her retirement plan might look something like this:

Value of Jane's 401(k) plan:	$1,000,000
Less estate tax (45%):	$450,000
Balance in 401(k) plan after estate tax:	$550,000
Less income tax on $550,000 of income (35%):	$192,500
Balance after income tax:	$357,500
Total taxes:	$642,500
Cents per dollar of 401(k) plan received by children:	$0.36

Jane could avoid these taxes if she combines taxable assets and tax-free beneficiaries. Here's what Jane needs to know: Taxable assets generally consist of all assets (especially retirement assets as illustrated above) except the amount that can be passed free of estate tax. Taxable beneficiaries generally consist of everyone except charitable organizations. A very effective (and perfectly legal) way to avoid taxes is to leave taxable assets to tax-free beneficiaries and to leave tax-free assets to taxable beneficiaries.

In the example, Jane's estate could avoid all income and estate taxes if she left her 401(k) to one or more qualified charitable organizations. Here's how it would work:

Jane's gross estate:	$3,000,000
Less gift of 401(k) plan to charitable organizations:	$1,000,000
Taxable estate:	$2,000,000
Estate tax:	$0
Income tax:	$0
Net amount received by charitable organizations:	$1,000,000
Net amount received by children:	$2,000,000

By leaving her highly taxed assets to tax-free beneficiaries, Jane controls 100 percent of her estate. For each 36 cents of the retirement plan that the children "lose," one dollar goes to Jane's favorite charitable organizations.

The concept also can work for married people. While spouses are often considered tax-free beneficiaries, in reality they are only tax-deferred beneficiaries. A transfer to a spouse typically avoids estate tax at the first death because of the unlimited marital deduction. Whatever the surviving spouse does not consume during his or her life will be part of that spouse's taxable estate at his or her death.

If Jane's spouse were alive, she could achieve similar tax results at her death by having the 401(k) pass to a charitable remainder trust for her spouse's benefit upon her death. Her spouse receives income from the trust for his lifetime, and at his death, the trust remainder passes to their chosen charitable organizations.

Leaving taxable assets to tax-free beneficiaries is a simple but powerful concept. If you have a large retirement plan and are charitably minded, consult your tax advisor about how this concept could benefit you.

Preserve Your Values Along With Your Assets

Many Americans would celebrate the opportunity to be as philanthropic as Bill Gates or Warren Buffet. But even an average individual's modest philanthropic giving can create a lasting legacy and express his or her deepest values. To leave a legacy, you must first have the right strategy.

In many cases, legacy gifts keep giving past your lifetime.For example, an endowed scholarship provides permanent support by using only a small fraction of the fund while the majority of the fund remains invested. Focusing on methods of giving that endure and choosing an organization, cause or program that is close to your heart enable you to preserve your values for future generations.

Another important tactic in legacy giving requires teamwork. Your gift alone may seem small compared with the need you've chosen to address. But combined with the support of others who share your commitment, even a modest initial contribution can grow strong with additional contributions and accumulated interest. Some creative legacy builders enlist friends and family in their philanthropic mission by requesting contributions in lieu of birthday or holiday gifts.

One final strategy is leverage. A gift annuity, a contract in which you agree to make a gift to us and in return we agree to pay you a fixed annual amount for life, may allow you to give more generously than you think is possible given your financial situation. This type of plan provides you with needed retirement income and the remainder leaves a legacy for tomorrow.

Call Hope College today at (616) 395-7775 to talk about designing a legacy, large or small, that will represent your enduring values.

Enjoy Your Retirement Years—Worry Free

Our FREE brochure can help you secure a sound financial future. To receive a copy, return the enclosed reply form.