Accomplish Your Goals and Have Peace of Mind – Update Your Estate Plan

Dear Member of the Hamilton Family,

Continuing our efforts to provide timely financial, tax and estate planning information, this issue of Hamilton Plans focuses on the importance of having an estate plan and ensuring that the plan accomplishes your objectives under changing circumstances and tax laws. As reported in Hamilton Plans in the fall of 2001, estate tax rates are changing through 2010. In 2011, the law reverts to the 2001 rates. Many experts believe that Congress will address the uncertainty surrounding these revisions; however, you must be sure that your estate plan accomplishes your objectives during this period of flux.

Regardless of your age or personal situation, having a will is critically important. I trust you will find this issue of Hamilton Plans and the follow-up, in-depth piece we offer, Planning Your Will: Insights and Options, to be helpful. Please call Ben Madonia ’74 at the College (866-729-0317) or return the enclosed reply card if you would like to receive the brochure or if you have questions about how you may benefit Hamilton by including the College in your estate plans.

With thanks and best wishes,
Richard W. Couper ’44
Life Trustee

Your Will...a Priceless Privilege

Of all life’s privileges, perhaps making a will is the most often ignored. Remember...to die without a will is a disservice to one’s family and loved ones. This issue of Hamilton Plans highlights the importance of exercising your priceless right to plan your estate.
**Why You Should Have a Will**

A majority of adult Americans do not have wills – in fact, about 70%. Many people spend a lifetime working, accumulating an estate and caring for their loved ones, and then relinquish to the state the important matter of the distribution of their property. Arguably, no other document you sign in your lifetime is as important as a will. With a will you can:

- Determine to whom, how and when your assets will be distributed;
- Name an executor who will manage the estate in accordance with your intentions;
- Create trusts for your spouse, children or others, thus providing income for beneficiaries;
- Reduce and sometimes eliminate estate taxes; and
- Make gifts to charity. A charitable organization can never inherit from the estate of an individual who dies without a will.

A will should not be made and forgotten; it should be reviewed periodically and revised if circumstances dictate a different disposition of property. An excellent will that was written 20 years ago may not be appropriate today.

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**Common Myths about Wills**

**Myth:** “Only rich people need wills.”

**Fact:** The families of people of modest means may be hurt most by the failure to have a will. As an example, the laws of most states provide, in the absence of a will, more adequately for children than for the surviving spouse. Not to be overlooked is the fact that many people are worth more than they realize – when they take into account their life insurance, retirement benefits, home, savings and securities.

**Myth:** “People without dependents do not need wills.”

**Fact:** A person without dependents who does not have a will may find that under state law his or her property will go to his or her parents and perhaps brothers and sisters in specified, rigid shares. Friends, of course, will be left out, as well as any worthy charities and other organizations the person may have wished to support.

**Myth:** “Younger people do not need wills.”

**Fact:** Every adult is likely to need a will, especially young married people with children. Accidents occur, and it is not uncommon for fatal accidents to involve both parents. These are exactly the situations in which an up-to-date will can prove invaluable for the survivors.

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**Time to Review Your Will**

If you have not done so, this may be an opportune time to review your will and estate plan. As reported in *Hamilton Plans* in the fall of 2001, estate tax rates are declining and the estate tax exemption is increasing through 2010. In 2011, the rates and exemptions revert to the 2001 tax law. Your advisors may have strategies to deal with the uncertainty and constant change, as well as future changes, to the estate tax law.

**Example:**

Your will may establish a trust based on the value of the exemption equivalent. If the value of the exemption equivalent at death is significantly different from the value when the will was written, your objectives may not be met.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Estate</th>
<th>Available for Spouse</th>
<th>Trust for Children*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$2,000,000</td>
<td>$1,325,000</td>
<td>675,000</td>
</tr>
<tr>
<td>2006</td>
<td>$2,000,000</td>
<td>0</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

*based on exemption equivalent
Preparing Your Will

Regardless of your age or financial circumstances, there is no better time than the present to plan for the disposition of your assets through the means of a will prepared by your attorney. A carefully thought out will can minimize the impact of estate taxes and provide more funds for your family. It also can provide an enduring expression of your charitable wishes. Tax laws encourage the support of charitable organizations through income tax deductions as well as estate tax savings. Thoughtful estate planning in consultation with your attorney, accountant and other advisors may enable you to benefit your loved ones and provide assistance to Hamilton.

Where to Start

You should make a list of all your property and its approximate value without overlooking retirement benefits and life insurance. You need to decide to whom you want to leave your property and in what manner. The attorney who prepares your will might suggest that some part of your property be left in trust. Your will could create a trust to provide income to your spouse for his or her lifetime and then your children. Trusts of this nature can be used to save estate taxes. Your attorney can advise you about such tax savings and also show you how a gift made under your will to Hamilton saves taxes.

Choosing an Executor

The executor named in your will has the responsibility of carrying out its directions. You can name a spouse, relative or friend. Many people prefer to name a lawyer. A bank or trust company that is experienced in handling estates and managing the investment and distribution of property can be beneficial because they offer professional expertise. Another advantage of a bank is its permanence – an individual could predecease you.

Scott ’92 and LynnErin McNeil ’92 Tyler

Scott and LynnErin value Hamilton for their education and bringing them together. As LynnErin recalls, “Hamilton is where Scott and I met, and it will be a special place for us forever.” With two small children, Mary and John, they realized having wills in place was important. When they began planning how to handle their assets, they decided to include Hamilton among their testamentary bequests. “We felt it was important to show thanks to Hamilton for the invaluable foundation it provided both of us as we started our academic and professional careers.”
Bequests

Bequests and estate plan provisions are a significant part of Hamilton's planned giving program and continue the enduring tradition of dedication and generosity of spirit and resources that has built and sustained the College for more than 190 years. You might consider a testamentary provision in favor of Hamilton. Bequests may take a number of forms, including a specific dollar amount or a percentage of the estate. If you would like to receive sample language, please contact Ben Madonia '74 or Joni Chizzonite at the College at 866-729-0317 or complete the enclosed reply card.

For information about other planned gifts, please go to www.hamilton.edu/alumni/PlannedGiving/

Joel Bristol Associates of Hamilton College

Hamilton honors planned gift donors or anyone who has made an estate plan provision in favor of the College with membership in the Joel Bristol Associates. Please advise the College if you have included Hamilton in your estate plan or completed a planned gift so you may be recognized as a Joel Bristol Associate.