



# WHITMAN LEGACY

CLASS OF 1970 • 50th Reunion

## Commemorate Your Whitman Years

**Your 50th reunion** is an opportunity to reflect on your time at Whitman, its influence on your life and work, how the world and Whitman have changed over the last 50 years, and to celebrate those things remaining the same.

The Class of 1970 Reunion Fund commemorates your reunion and provides crucial support to the college. In addition to gifts to your class project, all planned gifts and gifts for other purposes will count toward the fundraising total your class will celebrate during your reunion in May.

We invite you to consider how to participate in your reunion fund by aligning your charitable interests with your financial plans through a planned gift. Many alumni benefit from gift planning, from wills to gift annuities to charitable trusts. Inside, you will read

how these plans can help you make a personally significant gift to Whitman and meet other financial goals. Whitman staff is available to answer any questions you may have or to discuss options in further detail with you and your advisors. Congratulations on your 50th reunion!

**Participate in  
your reunion  
fund by creating a  
planned gift**

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WHITMAN COLLEGE

Office of Gift Planning

# Use Your **Retirement Account** to Lend a Helping Hand

**Mike Henniger '70** credits the education and opportunities he received at Whitman College for building the foundation on which he built a successful life.

we've received through retirement and investments to help others. I'm happy we have the resources to be able to do that."

They also named Whitman as a remainder beneficiary of their retirement account to further fund the scholarship endowment after their deaths. By using their IRA to provide a significant

unique tax known as Income in Respect of a Decedent (IRD), which affects the majority of tax-deferred retirement accounts. Mike and Lisa can direct other assets to support their heirs that will not be subject to income tax and maximize their impact.

Whitman can be easily included as a beneficiary of a retirement account by simply updating your beneficiary designation form with the company administering your retirement account.

*Read more of the Henniger's story in the 2019 Annual Report of Gifts, which will be delivered to your mailbox in November.*

## Contact the **Office of Gift Planning** for more information about including Whitman in your estate plans

Now Mike and his wife, Lisa, are giving back to Whitman College to help other students achieve that same success. The Hennigers established the Dale and Frances Henniger Scholarship Endowment, named for Mike's parents.

After reaching the age for required minimum distributions (RMD) from his IRA, Mike opted to direct a portion of his RMD annually on a tax-free basis to establish their new scholarship. By donating directly to Whitman from their IRA, the Hennigers can begin supporting students right away while also reducing their income tax.

"We are strong believers in giving back," Mike said. "We are committed to using some of the gifts

funding increase to their scholarship, they eliminate income tax that be otherwise assessed on the full value of the transfer.

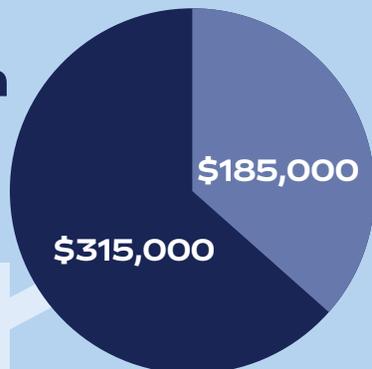
Designating their retirement account to pass to Whitman avoids this



Lisa and Mike Henniger '70

### Comparison of IRA Distribution (\$500,000)

No Charitable Plan



Charitable Bequest



Income Tax (37%)  
Transfer to Heirs

Income Tax (\$0)  
Gift to Whitman



Jane and Darrell Baggs '67

## Honor Your **Loved Ones** and Support Whitman

**Darrell '67 and Jane Baggs** created the Frances Jane Ford Baggs Scholarship Endowment at Whitman to honor Darrell's late mother and her steady encouragement to him to pursue a college education — an opportunity she never had.

More recently, Darrell designated the Darrell W. and Katherine Jane Baggs Chair in Economics Endowment as a beneficiary of their living trust in honor of his beloved wife, Jane, whom he lost to cancer. Their endowment will provide annual funding for a professor in the economics department as well as supplies, equipment, research expenses, and professional development. "We want to promote excellence in the study and teaching of economics and to enhance the learning experience," Darrell said.

If the proceeds received by Whitman from their trust exceed the funding needs for an economics professor, the surplus will add to the endowed scholarship established in honor of Darrell's mother. Contact the Office of Gift Planning to learn about how you can direct a future gift through your estate.

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### Do You Know About the IRA Charitable Rollover?

Once you are 70 ½ years old, you can make tax-free gifts to Whitman from your IRA. You can donate up to \$100,000 each year from your IRA. It must pass directly to Whitman and then the amount of your gift will not be included in your adjusted gross income for the year, making it tax free. Additionally, any amount donated in this manner will count toward your annual RMD (required minimum distribution). Please contact us for more information about the easy steps to take for supporting your reunion with a gift from your IRA. [whitman.edu/IRA](http://whitman.edu/IRA)

## Dorsey Baker LEGACY SOCIETY

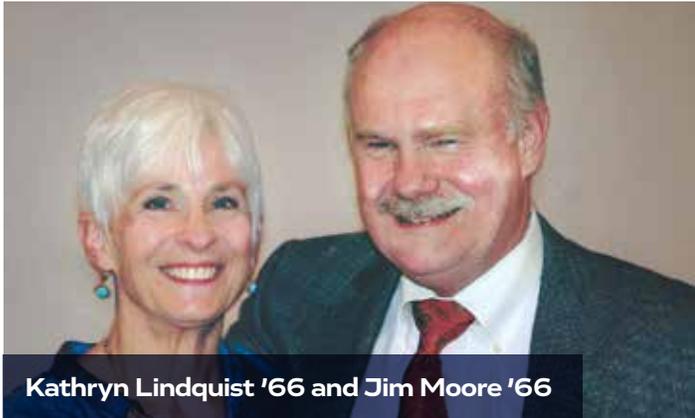
The Whitman College Dorsey Baker Legacy Society was established to recognize individuals who have named Whitman as a beneficiary of their wills, trusts, retirement accounts or life insurance, as well as those who have established deferred gifts with the college. Planned gifts contribute significantly to endowment, scholarships, operating funds, and a variety of academic and cocurricular programs each year. This type of gift provides financial stability for the college and helps ensure Whitman is able to continue meeting the challenges of providing a well-rounded liberal arts education.

The college will recognize members of the Class of 1970 as part of the 50th reunion for contributions they intend to make to Whitman through their estate. Please complete the enclosed form, titled "Class of 1970 50th Reunion Fund Future Gift Intentions," in order to be included in your class recognition. If you have not made a provision to support Whitman, please consider joining your fellow classmates as a member of the Dorsey Baker Legacy Society.

### Class of 1970 Dorsey Baker Legacy Society Members

Cheryl D. Adkinson, MD  
Gregory A. Brown  
Susan Cook Delzell  
Emily M. Dexter  
Kenneth Wayne Gates  
Michael L. Henniger  
Melinda Suzanne Jones  
Jane Ryan Koler  
Mary Ashby Morrison  
Linda Deery Nelson  
Roscoe C. Nelson  
Michael W. Phillips  
William H. Rodgers II  
Donald S. Schwerin  
Gregory and Janet Dvorak Tenold  
Evans W. Van Buren Jr.  
Anonymous (2)

# Increase Your Income with Retirement Gift Annuities



Kathryn Lindquist '66 and Jim Moore '66



Pam Erickson and Terry Pancoast '65

**Jim Moore '66 and Kathryn Lindquist '66** share a profound passion for the college as well as Whitman athletics, with Jim recently concluding his service as a founding member of the W Club Board. They spoke with college staff to learn more about strategies for gifts providing them with income for gifts that would solidify their philanthropic support for Whitman and provide them with income.

With a goal of tax efficiency, Jim and Kathryn recognized the greatest benefit for them would be donating appreciated stock and mutual fund shares and then locking in a future income stream, guaranteed by Whitman. They decided to retain flexibility through retirement gift annuities, which allow them to decide each year, after an initial deferral period, if they want to start annuity payments or wait another year.

By donating stock and mutual fund shares, Jim and Kathryn avoided capital gains, converted the full market value of their investments into a guaranteed payment for life, and were able to claim a charitable deduction to decrease their income tax. Jim and Kathryn established their gift annuities several years before the commencement date for their payments, allowing their gift annuity rate to increase over time. The deferred annuities offer them the flexibility to begin receiving payments after the initial deferral period or continue deferring for additional years if the income is not yet needed.

“Establishing two retirement gift annuities was a win-win because Kathryn and I can receive payments for life and have peace of mind knowing the remainder of our annuities will go to support an institution we hold in such high regard,” Jim said. “We support Whitman so that students will continue benefitting from experiences that meant so much to us — and still do.”

**Gift annuities provide flexibility when you need additional income.**

**Terry Pancoast '65 and his wife, Pam Erickson,** are loyal supporters of Whitman College. Terry, an estate planning attorney with Stoel Rives LLP, is familiar with the many aspects of charitable giving, including gift annuities. Terry has advised Whitman as a founding member of the college's Planned Giving Advisory Council since 2001. When Terry and Pam were considering options for making a significant gift to support Whitman's Now Is the Time campaign, gift annuities were a natural fit.

“We believe in the importance of Whitman College and the goals of the campaign, and wanted to support the college in a meaningful way,” they said. “A deferred charitable gift annuity was very simple to establish, and provided both current benefits and future flexibility that allowed us to contribute more than we otherwise would have been comfortable with.”

Establishing a flexible deferred gift annuity allowed Terry and Pam to make a generous gift now, claim a partial charitable income tax deduction of about 25 percent of the amount of their contribution, and defer their annuity payments to the future while they both continue to work. The flexibility of a deferred annuity permits Terry and Pam to commence the payments from the gift annuity when they find a need for additional income.

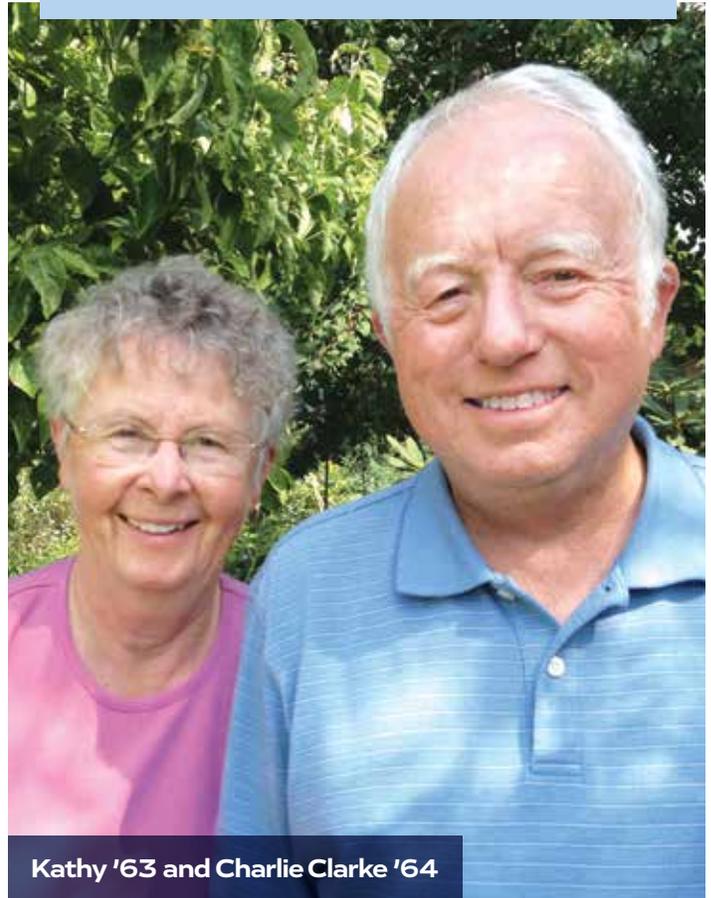
Terry and Pam chose to designate the remainder of their gift annuity as unrestricted and allow the college to use the proceeds for the greatest need in the future. As a board member for many charities and a Whitman College Overseer Emeritus, Terry recognized the value of building unrestricted resources, and this gift annuity allows him and Pam to support Whitman's long-term financial stability.

# Gift Annuities

## Celebrate Milestones

**Charitable gift annuities** are a popular type of planned giving at Whitman. The advantages of this type of gift inspired Kathy '63 and Charlie Clarke '64 to establish gift annuities in honor of their 50th reunions. Using shares of a mutual fund, the Clarks avoided recognizing capital gains taxes and converted the full market value of their investment into a guaranteed payment with a higher rate of income for life. Their income from the gift annuities is in excess of options from bonds or CDs. Kathy and Charlie received an initial charitable income tax deduction for establishing their gift annuities and now receive guaranteed quarterly payments from Whitman for the rest of their lives. When their gift annuity payments stop following their deaths, the college will add the remaining funds from their gifts to the 50th Reunion Scholarship Endowment.

Gift annuities provide crucial support for the college by funding scholarships, professorships, capital projects, and myriad other priorities. Their popularity is driven primarily by the simplicity of establishing a gift annuity and the safety of a fixed, guaranteed payment. Gift annuity payout rates



Kathy '63 and Charlie Clarke '64

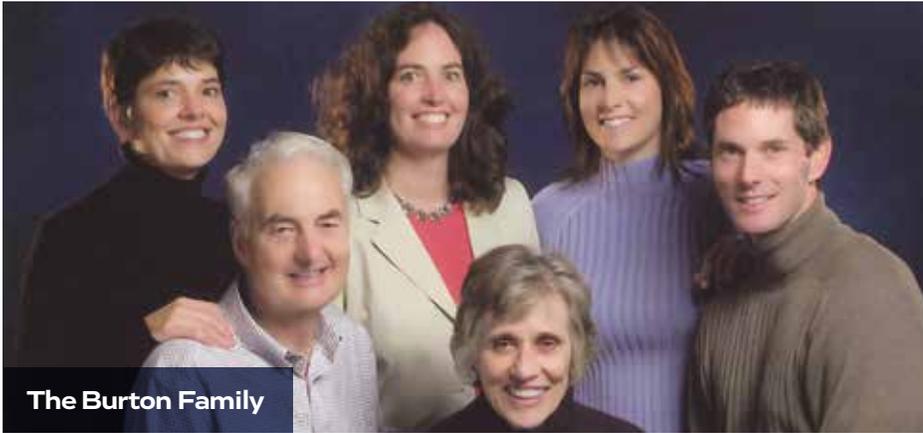
are based on the annuitant's age and are established with simple contracts between donors and the college. They may be funded with gifts of cash, stocks, mutual funds, bonds and other marketable securities.

Please contact the Whitman College Office of Gift Planning to receive more information or a custom illustration of a gift annuity.

Retirement Gift Annuity				⋮	Current Gift Annuity		
Annuity Rate	Effective After-Tax Rate*	Deductible Percentage of Gift	Age(s)	Annuity Rate	Effective After-Tax Rate*	Deductible Percentage of Gift	
6.6%	8.6%	46%	71	5.7%	7.5%	38%	
6.7%	8.8%	48%	72	5.8%	7.6%	39%	
6.9%	9.1%	49%	73	5.9%	7.8%	41%	
5.6%	7.2%	35%	69 and 71	5.0%	6.4%	28%	
5.8%	7.4%	37%	71 and 71	5.1%	6.5%	29%	
5.9%	7.6%	38%	71 and 73	5.2%	6.7%	30%	
6.0%	7.8%	39%	73 and 73	5.3%	6.8%	31%	

\*Assumes 2-year deferral period and 22% effective income tax rate.

\*Assumes 22% effective income tax rate.



The Burton Family

## A Charitable Trust for Family Support

**Paul '51 and Nancy McKay Burton '53** are active supporters of the college. Two of their children, Bob Burton '84 and Jean Burton Over '82, graduated from Whitman, and three of their grandchildren are now Whitman alumni as well. Paul and Nancy wanted to make a gift to Whitman and support their family at the same time. They created a charitable remainder trust to provide income to their children for 15 years and then distribute the balance of the trust to Whitman.

The Burtons used appreciated stock to fund the trust and were able to avoid the capital gains tax liability that would have been due had they sold the stock

themselves. Paul and Nancy also received a charitable income tax deduction as a result of the trust's charitable status. Whitman College served as the trustee for the Burtons and administered the trust.

“When we first considered a unitrust, it seemed unwise to give away assets we wanted to leave to our children. As we learned more about charitable trusts, it became apparent we could accomplish our goal of transferring funds to our children and make a substantial gift to Whitman as well.”

After the 15-year term, Paul and Nancy's trust terminated and established three new endowments at Whitman. With thoughtful planning, the Burtons were able to accomplish both of their goals — support their family and Whitman. Contact Whitman's gift planning office for more information or to receive a custom illustration of possible options.

## Converting Stock into Retirement Income

**Following his time at Whitman,** Paul Lewis '67 launched a successful career in consumer banking. After 20 years in banking, Paul chose to start a new career with the New York Life Insurance Company based near Stockton, California. Paul's deep passion for education at Whitman and how it trains the mind to think has kept him connected over the years.

“I am a staunch believer in the Whitman experience of a liberal arts education which also makes available a strong sciences component,” Paul said. “The flexibility I gained from my time at Whitman helped me greatly in adapting to different career opportunities over the years. We wanted to help

support the continuance of the Whitman experience.”

Recently, Paul and his wife, Ro, returned to campus to celebrate his 50th reunion. Paul started discussions while on campus to investigate ways he could support Whitman and his reunion fund with a stock investment that appreciated significantly over the last 25 years. Shortly after his reunion, Paul and Ro decided to utilize their investment to establish a charitable remainder trust and a gift annuity, with both structures providing them with lifetime income.

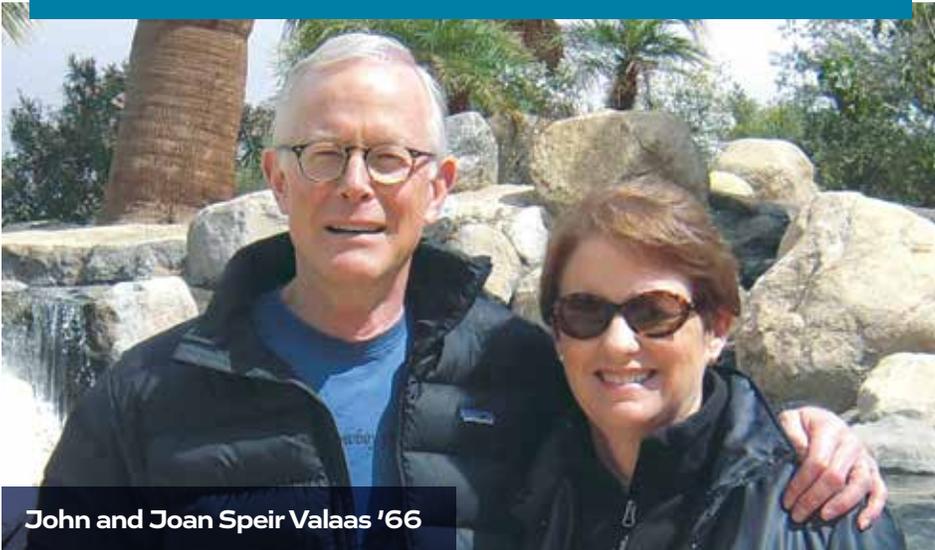
“We have held a block of highly appreciated stock for many years,



Paul Lewis '67, and his wife, Ro

and sought a means of converting a portion of the shares to guaranteed lifetime income while also providing a significant reduction in capital gains taxes,” he said. “A charitable trust and gift annuity seemed to be the answer to both our goals.”

As a result, Paul and Ro converted their stock without capital gains tax into two new sources of higher income while also helping Whitman continue its tradition of liberal arts educational excellence.



John and Joan Speir Valaas '66

# Supporting Children with Your Retirement Account

**For John and Joan Speir Valaas '66,** establishing a scholarship endowment at Whitman to support future generations of students is a fitting way to celebrate their family's relationship with the college. With two children, five siblings, and several nieces and nephews among family members who attended Whitman, the Speir and Valaas families have deep connections with the college. The Joan and John Valaas Scholarship Endowment will serve as a reflection of their commitment to help make Whitman accessible for future generations of students.

Now retired from careers in banking and teaching, John and

Joan found that the best strategy for funding their scholarship is using a portion of their retirement account. To ensure they balance support for their children and Whitman, John and Joan will initially create a charitable trust with their retirement account. This trust will make reliable payments to their children before passing to Whitman and fully funding the Joan and John Valaas Scholarship.

John and Joan consulted with their advisor and discussed options with Whitman's gift planning office, eventually implementing a plan in which a charitable trust is created

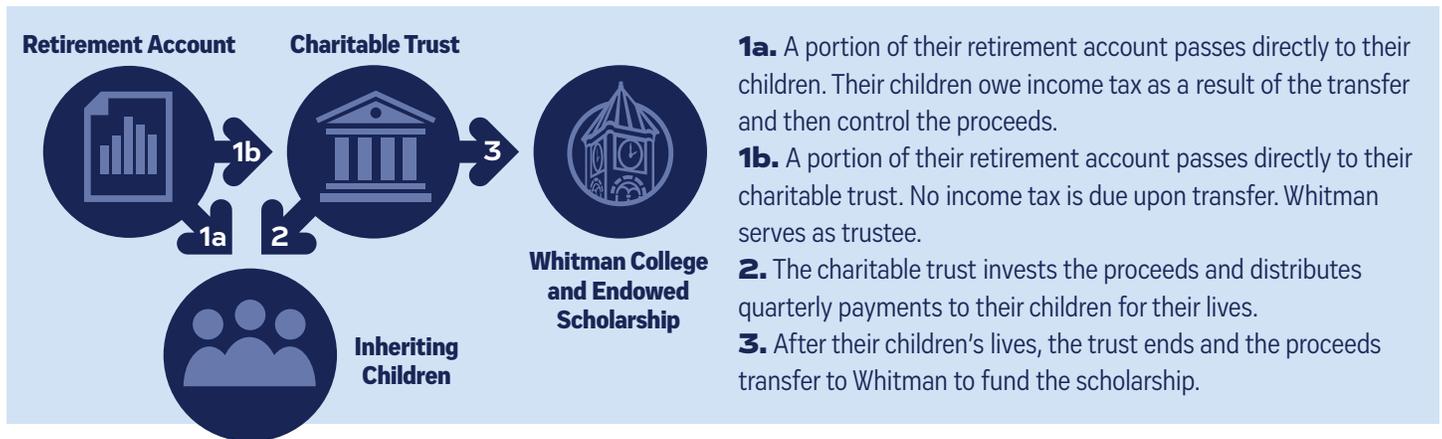
after their passing with a portion of their retirement account. Importantly, proceeds passing from their retirement account to the charitable trust will not be subject to immediate income tax, commonly known as income in respect of a decedent (IRD). Four objectives are served by their plan:

- **Flexibility.** John and Joan have full access to their retirement account during their lives and can adjust their plan, if necessary.
- **Stable Support for Children.** Proceeds from their retirement account will be professionally managed within the charitable trust and benefit their children.

- **Positive Tax Outcome.** Contributions to the charitable trust will not be subject to immediate income tax and their plan reduces possible estate tax.

- **Philanthropy.** The charitable trust will fully fund a scholarship endowment supporting deserving Whitman students.

Retirement account donations are often the most advantageous method for supporting charities like Whitman. The income tax normally due as a result of withdrawals from a retirement account can be avoided by properly structuring charitable gifts directly from your retirement account. Please contact Whitman's gift planning office to learn more about options for balancing support for your loved ones and Whitman.

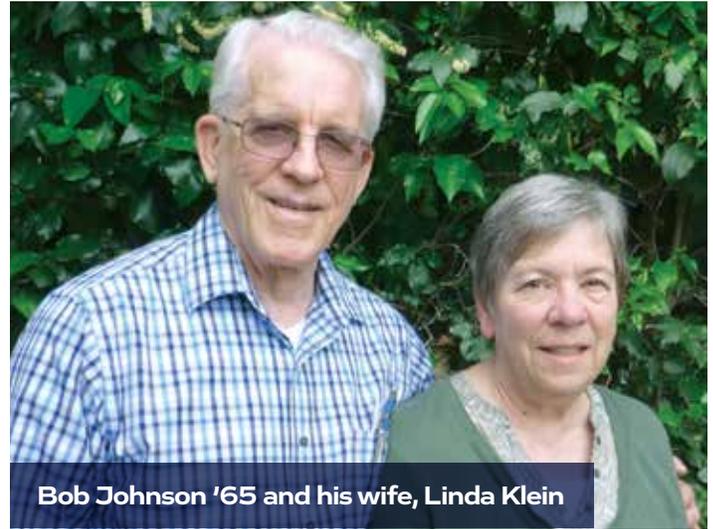


# Advantages of Donating **Real Estate**

**Bob Johnson '65 and his wife, Linda Klein**, care deeply about Whitman College and aspire to enrich the campus with global perspectives and themes. When considering the disposition of investment property, they realized donating a rental house would be ideal for supporting global studies at Whitman.

“We feel strongly that Whitman, with its liberal arts focus, is ideally suited to help bring the world together in cooperation rather than in continual warfare,” Bob said. “We donated the property directly in order to avoid capital gains taxes. The world needs more diplomats like Ryan Crocker '71, to build a sustainable world.”

Donating their property to Whitman enabled Bob and Linda to save their cash and other liquid investments while also providing significant new funding to enhance and broaden the global studies program at the college. Whitman sold their property without capital gains tax that would have



been due had Bob and Linda sold the property directly. Bob and Linda directed the proceeds from the sale of their rental house to the Global Studies Endowment to increase funding for new initiatives. As an added bonus, Bob and Linda were able to claim a charitable income tax deduction for the current market value of their property.

## For more information on ways to donate real estate to Whitman College, please contact the **Office of Gift Planning**

There are many ways to make a gift of real estate, such as giving it through your will or trust, or establishing a charitable remainder trust. In some situations, the college may continue to use donated real estate. For example, 15 farms donated to the college are still producing valuable crops and returning income to Whitman. Many of the locally donated homes are used by faculty or as special interest houses.



**Contact us** for more information about gift planning and your Reunion

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