

Calvin Fan Makes Lasting Gift

As the former owner of Grand Rapids Mailing Service, Otto DeBruyn gives Calvin his “stamp” of approval.



Otto and Marilyn DeBruyn

“Calvin graduates are making a positive impact on the world,” said Mr. DeBruyn, who was on campus almost daily for more than 50 years thanks to his business. He worked at times with Dr. William Spoelhof and the late Henry De Wit and Sid Youngsma—men he greatly respects.

Mr. DeBruyn and his wife, Marilyn, have strong family ties to Calvin—all three of his children, as

well as his father, brother, and two sisters attended. Their son-in-law played on the basketball team and also coached swimming.

Mr. DeBruyn was born in Hull, North Dakota, a town whose population dwindled over the years and is now no longer on the maps. After serving in World War II, Mr. DeBruyn moved to Grand Rapids because his parents had retired here. Within seven years he had started his own business in direct mail advertising and printing.

Longtime fans of Calvin’s men’s basketball team, the DeBruyns still attend every basketball game they can, home and away. Now in his 90s, Mr. DeBruyn and his wife eagerly look forward to games in the new Van Noord Arena, part of the Spoelhof Fieldhouse Complex.

Mr. DeBruyn made a campaign gift to the Spoelhof Fieldhouse Complex and, together with his family, endowed a scholarship for physical education majors. He likes the idea that the scholarship is not going to disappear—that it will help Calvin students long after he’s gone.

“The fact that I know it’s going to last forever—it’s a good feeling,” Mr. DeBruyn said.

Trust Dynamics—Flexibility and Tax Savings

During the past two decades, there has been an ever-increasing interest in estate planning. More and more individuals are taking the time to discuss with their legal and financial advisors ways to build, preserve, and distribute their estates to their heirs in the most efficient and equitable manner possible.

One of the most important and effective tools that can be used in the financial- and estate-planning process is the trust. What makes the trust truly unique is its remarkable flexibility in meeting an increasingly wide variety of needs, including increased investment assistance and providing security for family members who may be unable to manage assets themselves.

The Popularity of Charitable Trusts

The charitable remainder trust has been growing in popularity

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grateful to our ancestors...

and has made financial planning more flexible for those reviewing their estates. The charitable remainder trust can play an important role in providing security for family members, preserving assets by minimizing the federal tax burden, and ultimately fulfilling an individual's philanthropic desires.

Basically, a charitable remainder trust follows the guidelines that have been developed for trusts in general: the grantor transfers property to the trust and specifies how its income and principal are to be distributed.

The distinguishing characteristic of a charitable remainder trust, as the name implies, is that a charity, such as Calvin College, is named as a remainder beneficiary of the trust. Since Congress encourages charitable gifts by allowing various federal income- and estate-tax deductions, charitable remainder trusts offer a variety of attractive planning opportunities.

The Unitrust provides for annual payments to the designated beneficiary(ies) of a specified percentage—at least 5% of the value of the trust as it is valued each year. Since the value may vary from year to year, the payments may vary. At the death of the last beneficiary, the trust principal is distributed to the named charitable organization.

***Example:** Mrs. A establishes a 5% unitrust with Calvin, initially valued at \$100,000. In the first year, the trust pays her \$5,000. In three years the trust assets appreciate to \$110,000, and Mrs. A receives \$5,500.*

Advantages of a Unitrust—There are several basic types of unitrusts from which to choose, each characterized by different payout arrangements:

- A straight unitrust provides for a fixed percentage payment (minimum 5%) of the annual asset value.
- A net-income unitrust provides for payment of all the income

earned by the unitrust up to the fixed percentage specified in the trust agreement.

- An income-only unitrust with a “flip” provision allows a donor to create a trust that starts out as an income-only unitrust but later switches to a straight unitrust (for example, to produce at a later date a stream of income from a non-income-producing illiquid asset such as real estate).

Your charitable remainder trust entitles you to valuable tax deductions.

If you create an irrevocable unitrust during life:

- You will receive an immediate charitable tax deduction based on the ages of the life-income beneficiaries, the payout rate, and the value of the charity's remainder interest.
- Your estate will receive a charitable estate-tax deduction.
- You will escape capital-gain tax if you fund the unitrust with appreciated property.
- You will have the satisfaction of a charitable contribution that also reserves a stream of income for yourself and/or your beneficiaries.

The Annuity Trust provides for payment of a fixed dollar amount—annually or at more frequent intervals—to the designated



Students, faculty, and staff members crossing the new Chapel Plaza

...faithful to our heirs



beneficiary(ies). The amount must equal at least 5% of the initial fair-market value of the trust. At the death of the last beneficiary, the trust principal is distributed to the named charitable organization.

Example: Mrs. B establishes a 5% annuity trust with Calvin, initially valued at \$100,000. In the first year she receives \$5,000, and each year thereafter she receives the same amount—regardless of whether the trust assets increase or decrease in value.

Advantages of an Annuity Trust— If you create an irrevocable annuity trust during life:

- You will receive an immediate charitable tax deduction for the value of the charity's remainder interest. The amount of the deduction will depend on both the ages of the beneficiaries and the payout rate.

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Welcome Home, Ken Erffmeyer '86



Calvin College has hired a 1986 graduate to be its next vice president for advancement.

In June Ken Erffmeyer left a five-year post as vice president of human resources for The Thomson Corporation, recently renamed Thomson Reuters, in his home state of Minnesota. For Erffmeyer the move to Calvin has the feel of a homecoming.

“The Calvin Alumni Association this year is talking about Calvin as home,” said Erffmeyer, who served on the association’s board from 2004 to 2007, “and for me Calvin has always felt that way. It’s a place where I grew in numerous ways, including as a Christian. Coming back to Calvin as an employee feels good.”

In his new post Erffmeyer will oversee Calvin’s alumni and public relations department, its communications and marketing team, and the development office.

“I’m excited to partner with a team of talented individuals,” he said, “people who have a shared passion and appreciation for Calvin College. And I’m eager to be part of our collective effort to educate young men and women for lives of Christian service.”

After graduating from Calvin, Erffmeyer earned a master’s in business administration in marketing. In addition to his work at Thomson, he also worked for 15 years as a management consultant for Deloitte & Touche and Andersen Consulting.

And for the past eight years he has been integrally involved with Calvin Christian School in Minnesota. He served on the board of directors and led the board in the establishment of the high school in 2004.

Calvin president Gaylen Byker is enthusiastic about Erffmeyer’s arrival. He said, “Ken has a passion for people and a calling to Calvin. That’s a powerful combination. He is returning to his alma mater after almost 20 years away, but he has stayed connected to this place.”

Erffmeyer is married; he and his wife Dawn have four children.

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■ While the tax benefits are similar to those for a charitable remainder unitrust, the principal advantage of an annuity trust is that the beneficiaries can be assured that their payments will remain constant, regardless of the fluctuations of the marketplace.



For More Information

We would be happy to explore with you and your advisors the possible benefits of including a charitable trust in your financial and estate plans. Please call our office or return the enclosed card for a copy of our latest booklet, ***Gift Planning Opportunities with Lifetime Trusts***.

You should consult your attorney about the applicability to your own situation of the legal principles contained herein.

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Dear Friends:

In this fall issue of the *William Spoelhof Society* newsletter, we turn our attention to charitable trusts. Many of you have heard of living trusts, but *charitable trusts* provide a wonderful way to avoid capital-gain tax on appreciated assets while at the same time securing payments to you and a gift to Calvin when the trust term is completed. I hope you find this information to be very helpful!

We are pleased to share the story of Otto DeBruyn, a *Spoelhof Society* member who has furthered the campaign through his gifts to the new fieldhouse. We are also delighted to introduce you to Ken Erffmeyer who joined Calvin in June as the vice president for advancement.

Thank you in advance for your prayers for our students, faculty, and staff as we continue to train students for work as Christ's agents of renewal in his kingdom.

Sincerely,

Sally Vander Ploeg, Director of Planned and Major Gifts

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