

## From the Farm to Philanthropist



**A gift annuity** is part charitable gift and part annuity. Similar to other annuities, a donor receives a fixed income for life. Upon death, the remaining portion of the asset goes to fulfill the charitable intent of the donor. A gift annuity can be funded with cash or with appreciated property, such as stock, or real property. Other benefits include a charitable tax deduction upon making the gift and it only requires a one-page application to establish. Lakeland College establishes charitable gift annuities for as little as \$10,000.

To learn more about charitable gift annuities, please contact Stuart Merritt, Director of Major and Planned Gifts at 800-569-2166 x1383 or by emailing [merrittsk@lakeland.edu](mailto:merrittsk@lakeland.edu) or go to [lakeland.edu/givingtolakeland/plannedgiving/charitablegiftannuities](http://lakeland.edu/givingtolakeland/plannedgiving/charitablegiftannuities)

**I**T HAS BEEN 60 YEARS since Elmer “Chic” Wieting graduated from Lakeland College\*, but his passion for the institution remains strong. In 1943, after graduating from Kiel High School, Chic convinced his father to allow him to leave the family farm to enlist in the Marine Corps. From 1943 to 1946, he served as a radio man, guiding pilots by using radio signals, in Stuart, Florida, and Cherry Point, North Carolina. After the war, Chic came to Lakeland and graduated in 1950. Like many students that are attracted to Lakeland, he took advantage of the variety of experiences available at a small, liberal arts college. He majored in German, participated in football, track, and theater. He also met his future wife, Elizabeth Louise (Betsy) Schneider, at Lakeland, and they were elected homecoming King and Queen in 1949.

After leaving Lakeland, Chic earned a master’s degree from UW-Madison, and taught German and speech at Appleton High School for three years. Learning that teaching was not for him, he then entered the business world and worked for the Central Soya Company, Allied Mills, and Ayrway Department Stores. He retired from Ayrway at age 51 as the Vice President of Store Operations. But retirement didn’t slow him down. Over the next several years, he founded the Midwest Arcade Company and earned a real estate license.

Today, Chic lives in Fort Myers, Florida, and enjoys playing golf daily and spending time with family. Chic and Betsy have four children, 17 grandchildren, and six great grandchildren. Sadly, Betsy died of Alzheimer’s disease in January 2003.

Throughout the years, Chic has remained connected to his alma mater by funding scholarships through charitable gift annuities. He enjoys knowing that he is giving back to the place he loves and benefitting from his gift by receiving a reliable stream of income.

To learn more about how you can be like Chic, read the sidebar article to the left.

\*Lakeland College was founded as *Missionshaus* in 1862 and retained that name until 1956.

*Basic estate planning:*  
**Start with  
the family  
legacy, vision  
and values**

By STUART MERRITT  
Director, Major & Planned Gifts  
Lakeland College

People fail to plan their estate for a variety of reasons: a lack of time, urgency, stress, or fear. But delaying planning puts your personal resources at risk and may leave your children to make difficult, emotional decisions at a time of personal loss and grief.

Estate planning can be a positive experience. If done right, it can provide an opportunity for rich discussions with your children regarding your hopes, dreams, and values. It's the chance to define the legacy you want to leave your family and your community.

**Estate planning encourages you to:**

- Discuss important life goals or lessons. This is a time to address any goals, hopes, desires for you, your spouse, your children and their families.
- Choose your executor. The executor is your personal representative after you are gone. He/she will carry out the provisions of your estate and personally gift belongings to those you designate in your will. You may also want to consider assigning an alternative executor if the

primary representative cannot act for any reason. It may also be valuable to have a non-family member serve as co-executor.

- Establish healthcare directives. In addition to framing your thoughts on end-of-life care, you will also want to establish a healthcare power of attorney. If you are unable to communicate your own wishes, this person expresses your wishes regarding nursing home care or other medical care. The agent may decide on the use of extraordinary life support measures, such as artificial breathing machines. Consider naming children as co-powers rather than friends or professionals.
- Assemble Important Documents. Document all your assets, liabilities, bank accounts, charge cards, pensions, investments, doctors and attorney information, etc., and place them in a secure place (i.e. strong box, computer file) with instructions on locating the information.
- Write or update your will.

**Topics discussed should include:**

- Any remaining life goals, travel destinations, visits to siblings, major purchases, etc.
- Any unspoken goals/hopes/desires for children and their families.
- Financial and emotional support planning for surviving spouse. Major financial or emotional benefits may be lost or changed with the death of the first spouse (i.e. Social Security, pensions, proper socialization, etc.) Those scenarios should be thoroughly discussed.



- Your healthcare desires including in-home care, nursing home choices, the reasons for your choices in the healthcare power of attorney document, and your desires regarding the living will.
- How you want your finances handled, including specifics in the financial power of attorney document.
- Is there personal property you want to go to specific people or institutions? If so, it should be in writing. You can choose to retain the property until your death and then note your personal wishes in the estate plan.
- Your intentions regarding a move from your residence. Do you want to move in with a child or to a smaller home or retirement residence?

### **Estate Planning Results In:**

- A valid will. An up-to-date, signed direction in writing for the disposition of your estate.
- Durable Power for Financial Affairs. This document determines how your financial decisions are made when you cannot act for yourself due to incapacity. A spouse is usually the primary Power of Attorney, but your personal circumstances may require someone different. If a family member is chosen, nominating a co-power, such as a friend or financial institution, may reduce familial stresses. Responsibilities include paying bills, decisions on investments, etc.
- Durable Power for Healthcare. This document determines how your healthcare choices are made when you cannot act for yourself due to incapacity. Like the financial power, the individual can take their power back when their health improves. You may want to name children as co-powers.

In the end, planning your estate and communicating your desires is a valuable gift to your children. Look forward to more tips on estate planning in the next issue of *Legacy*.



**Stuart Merritt**, Director of Major and Planned Gifts, joined the Lakeland College Advancement team in August. He has nearly 25 years of experience working with individuals and families to create gift vehicles that meet

their financial as well as charitable objectives. Before coming to Lakeland, he served as the Vice-President of the 180 Foundation and as a planned giving officer for Aurora Healthcare Foundation and the Salvation Army. Stuart, his wife, Lynelle, and three sons live in Cedar Grove. He looks forward to working with Lakeland College alumni and friends in this new role.

### **Is a Charitable Planned Gift right for you?**

Learn more by visiting the new gift planning calculator located on the Lakeland College website. The calculator helps donors determine which gift arrangement may be best given a donor's age, financial needs, tax bracket, and other factors. The site also provides information on different types of gift arrangements such as charitable gift annuities, bequests, and charitable trusts. Access the calculator at [Lakeland.edu/Giving/WaysToGive/PlannedGiving](http://Lakeland.edu/Giving/WaysToGive/PlannedGiving).

If you have questions or you would like us to run simulations for you, please contact

Stuart Merritt

Director of Major and Planned Gifts

at 800-569-2166, ext. 1383

(direct line 920-565-1383)

or [merrittsk@lakeland.edu](mailto:merrittsk@lakeland.edu)



AS YOU PLAN YOUR CHARITABLE GIVING FOR 2011 AND BEYOND, you should be aware of two tax planning ideas that involve Individual Retirement Accounts (IRAs). First, making distributions directly from IRAs to charity, and second, naming a charity as a designated beneficiary of an IRA at death.

### **Qualified charitable distributions from IRAs to charity**

Since 2006, the law has permitted taxpayers to make direct contributions from IRAs to public charities without having to recognize these distributions as taxable income (i.e. "qualified charitable distributions"). Recently, Congress reinstated this special tax provision to apply to the 2010, 2011 and 2012 tax years. Thus, for 2011, a taxpayer can make a "qualified charitable contribution" of up to \$100,000 from a traditional IRA or Roth IRA to a charity without having to include the distribution as taxable income, while at the same time having the distribution count towards their "required minimum distribution" (RMD) for the current tax year.

In order to qualify for this exclusion, however, the following conditions must be met:

- The distribution must be made directly from the IRA to charity.
- The IRA owner must be at least 70 1/2.
- The contribution must be to a "public charity" (e.g. church, educational institution, not-for-profit organization, etc.) and be otherwise deductible under the general charitable contribution rules of Internal Revenue Code.

### **Naming charity as a designated beneficiary of a traditional IRA**

There are times in which it may be better to name a charity (e.g. church, educational institution, not-for-profit organization, etc.) as beneficiary of a traditional IRA rather than individuals (e.g. spouses, children, grandchildren, etc.)

Unlike most assets in a decedent's estate, a traditional IRA does not get a step-up in cost basis. As a result, distributions to the beneficiaries are subject to income tax. Conversely, if a charity is named the primary beneficiary of a traditional IRA, none of the future distributions are subject to tax because of the charity's tax-exempt status. Therefore, in the long run it may be more beneficial to name charity as the primary beneficiary while using other assets to benefit loved ones.

With a little planning on the front-end, you can maximize your charitable impact while potentially reducing your taxes this year and when your estate passes to the next generation.

To learn more about these types of transactions, please go to the Lakeland College website [Lakeland.edu/Giving](http://Lakeland.edu/Giving) or contact Stuart Merritt, Director of Major and Planned Gifts, at (920) 565-1383 or [merrittsk@lakeland.edu](mailto:merrittsk@lakeland.edu).

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## **How bequests to the college are handled**

IN 1989, LAKELAND COLLEGE ESTABLISHED the Lakeland College Foundation to accept bequests and other similar gifts from alumni and friends. At the end of 2010, the foundation held assets totaling more than \$11 million. Since its inception, it has granted nearly \$2.5 million in earnings, helping make a Lakeland College education more accessible to deserving students. When you designate a portion of your will or estate to Lakeland, unless otherwise stipulated, the gift is placed in the foundation to benefit the college forever!

The initial goal for the endowment is \$40 million but, the larger the endowment, the more stable and secure the institution becomes. You can work with the college to determine how you would like your gift to benefit the college, such as endowed faculty chairs, equipment purchases, library acquisitions, grounds and facilities improvements, etc. The possibilities of how you can impact the college are limitless. To start the conversation, please contact Ken Strmiska, Vice-President for College Advancement, at (920) 565-1478 or [strmiskakd@lakeland.edu](mailto:strmiskakd@lakeland.edu).

*Information in this newsletter is not intended as a comprehensive explanation of the subjects contained within. Lakeland College strongly recommends you seek the assistance of a qualified professional before taking action on financial or estate planning.*