

# innerCIRCLE

REACHING OUR GOALS TOGETHER THROUGH THE BENEFITS OF PLANNED GIVING

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## PHI PSI'S INVESTMENT IN TOMORROW'S LEADERS LEAVES A "PRETTY BIG FOOTPRINT" ON THE WORLD

It was a year that wouldn't soon be forgotten ... President Richard Nixon had already signed a law banning cigarette advertising on TV. Paul McCartney left the Beatles. Three astronauts returned safely from the aborted and nearly tragic Apollo 13 space mission. The U.S. invaded Cambodia, sparking mayhem and violence on Ohio's Kent State University. The Cincinnati Reds were pummeled in the World Series. And American music legends Janis Joplin and Jimi Hendrix died just days apart, both from a drug overdose.

Against the backdrop of these memorable headlines from 1970, an aspiring college freshman from Cleveland was searching for his place at Ohio's Ashland (College) University.

"During my college tours as a high school senior, I had met the men at Phi Psi's Ohio Theta chapter house while I was their weekend guest," Eric Wiedenmann remembers. "I came to Ashland ready to join the men of integrity, honor and diversity I'd met during that visit."

During his years at Ashland, Brother Wiedenmann served the chapter as secretary and scholarship chairman. Still, he admits that beyond that experience, the leadership and educational aspects of his fraternal journey were far outweighed by the social focus. It was an era on college campuses when students needed an escape from the burden of the real world issues that surrounded them on every side. (The Kent State tragedy happening just a few dozen miles from his own campus.)

"I graduated in 1973, ready to focus on graduate school and on my business career. Founded in 1966, our chapter was very young at the time, so there was very limited alumni outreach and events."

Indeed, even while he made consistent annual contributions and joined the Northwestern University Phi Psi chapter as a graduate student there, it would be several decades before Eric truly "came back" to the brotherhood.

"It was serendipitous, really," he says. "It was our 30th reunion in 2003. I went back to the Phi Psi house at Ashland just to visit. Several brothers from my 1970 pledge class were there. And it was just like it had been, like no time had past; something kind of magical happened. I began to reconnect with many brothers whom I pledged and lived with in the 70's by attending annual homecoming weekends and Phi Psi Founders Day events.

Brother Wiedenmann then began a new journey with Phi Psi. This one wouldn't be defined by raucous parties and youthful adventures. Rather, by selflessly giving back of his time and treasure, he hoped to better the young men who had followed. He now serves as the editor for the alumni newsletter and coordinates chapter homecomings and Founders Day events for Ohio Theta; he also contributes time and expertise as a career mentor and keynote speaker for Cal Gamma brothers at Berkeley. "In 2005, I met a Cal Gamma brother who was the Laboratory Director for one of my clients. He saw my Phi Psi ring, gave me "grip" and invited me to their "Big Game" celebration in San Francisco. All the undergraduates and alumni made me feel very welcome and I immediately became involved with the chapter in numerous ways."

"There's a significant return on investment in educating a new generation of leaders," he says. "That's why I give to Phi Psi. Our brother Jerry Nelson and the American Leadership Academy have shaped thousands of young Phi Psis who are now making a positive impact ... that's a pretty big footprint in our world. In my opinion, that's one of the Fraternity's most important initiatives. Brother Nelson has been an outstanding role model for me, my friends and thousands of other Phi Psis. For that, I am forever grateful."

Eric also supports the Foundation's efforts to connect undergraduates and alumni in successful collaborative ventures. "I'm very involved in both Ohio Theta (Eagle Consulting) and Cal Gamma (Golden Bear Consulting) in my business those two chapters have provided me with over 20 student members who were able to complete projects and internships with quality deliverables, on-time and within the budget.

"It's evident to me that my gifts to Phi Psi are an investment in an institution that provides vital leadership, integrity, life skills and networking opportunities. I'm a big advocate for ensuring I direct my charitable dollars where they'll be well managed and accounted for, and the Phi Psi Foundation is a very responsible institution."

Most recently, Brother Wiedenmann is finalizing his membership into the Foundation's Summerfield Society, honoring those who leave a legacy for the future of Phi Psi through a planned gift commitment. "I think there's something in all of us that wants to leave a mark that is significant and lasting. Investing in future leaders seems to me a relatively small investment for what is a very important need. I hope my actions inspire more brothers to do the right thing."

*Eric Wiedenmann graduated magna cum laude with a bachelor's degree in business administration and marketing/economics from Ashland University in 1973 and completed his MBA at the Kellogg Graduate School of Management, Northwestern University. After retiring from corporate life at age 46 to start his own business growth practice, he founded Market Development Group, Inc., where he currently serves as president. In late 2014, he was awarded the inaugural Jerry Nelson Entrepreneurial Spirit Award recognizing his exemplary dedication to the professional development of today's Phi Psi student members. He and his wife Anne, who was chapter president of the Kappa Kappa Gamma chapter at UCLA and has many great memories of participating in Phi Psi/Kappa Kappa Gamma events, live in Danville (Blackhawk), California and are the proud parents of one son, William, a freshman at the University of California-San Diego.*



Eric Wiedenmann Ashland '70





“I AM INCREDIBLY GRATEFUL FOR YOUR SUPPORT. PHI PSI HAS CHANGED MY LIFE.”

— Brennan Borgestad *Iowa State '14*

### THE RETIREMENT MARATHON

Retirement planning is a marathon, not a sprint. To win a marathon, runners pace themselves until, with a last burst of energy, they surge over the finish line. Workers can follow a similar strategy in retirement planning. Brothers who have been saving regularly over the years have an opportunity to accelerate their savings pace and make a final push to accumulate as much as possible before their working years come to an end.

### MAXING OUT QUALIFIED PLANS

First, of course, participants in qualified retirement plans should make certain that plan contributions always meet the allowable federal limits. For those age 50 and over, Congress added a catch-up option out of concern that baby boomers hadn't saved enough for retirement. Plans that permit catch-up contributions (they are not required to, but most do) work like this:

- Catch-ups are made on top of current limits after a participant contributes the maximum regular contribution (\$18,000 for 2015)
- The catch up is not subject to any other federal or plan contribution limits.

2015 FEDERAL LIMITS FOR RETIREMENT ACCOUNTS		
ACCOUNT	CONTRIBUTION LIMIT	CATCH-UP CONTRIBUTION
401(k), 403(b) and 457	\$18,000	\$6,000
SIMPLE IRA	\$12,500	\$3,000
Defined Contribution Plans/ Keogh and SEP-IRA	20% of net self-employment income (or 25% of compensation) up to \$53,000	None
Individual 401(k)	20% of net self-employment income (or 25% of compensation) plus \$18,000, up to \$53,000	\$6,000
Traditional IRA and Roth IRA	\$5,500	\$1,000

## WHERE YOU ARE: RETIREMENT PLANNING AT ANY STAGE

Ask ten different people to share their thoughts on retirement and you will likely hear ten distinct responses. It is, after all, a matter of perspective. Phi Psis nearing the end of a flourishing career are often surprised to realize that retirement is right around the corner. The recently retired think about shifting their focus from accumulating wealth to creating income and distributing assets. Retired executives and professionals who have settled into retirement focus on maintaining wealth, providing a legacy, and conserving taxes. In every situation, there are ways to give that can provide important planning opportunities—gift options that join philanthropy with retirement planning to help donors realize important goals and objectives.

Where are you?

- Dreaming about retirement
- Carefully considering the best way to distribute accumulated assets
- Living in retirement and focused on your legacy

Whatever your stage in life, now is a good time to think about how you can support Phi Kappa Psi in ways that benefit you and your long-term retirement planning objectives.

To learn more about the role charitable giving can play in your retirement planning, contact us by phone or email, or return the enclosed card. Be sure to ask for our complimentary brochure, *Planning Options for Your Stage in Life*, designed to help you identify and understand gift planning options that may be a good match for you today. As always, we appreciate your support and welcome the opportunity to be of assistance to you and your advisors.

### DEFERRED GIFT ANNUITIES: A GOOD FIT WITH QUALIFIED PLANS

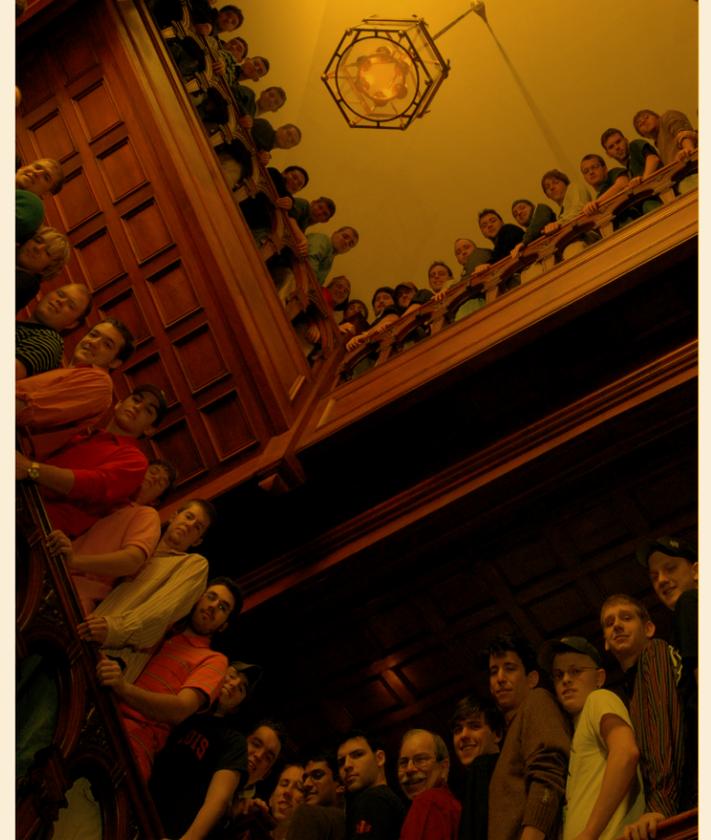
A deferred gift annuity is ideally suited to those who have reached the maximum allowable contribution limits (including catch-up provisions) but still want to accumulate additional retirement assets. A deferred gift annuity lets donors provide additional income for retirement and choose when they want annuity payments to begin. Keep in mind that longer deferrals result in larger income tax deductions and a bigger payout rate.

**EXAMPLE:** Roger Stein, age 53, is an entrepreneur who sold his social media marketing business for \$400,000 earlier this year. Now, he is in the planning stage for his next business venture. A dedicated supporter of Phi Psi, Brother Stein could benefit from a current income tax deduction, and he is interested in supplementing his future retirement income. For Roger, a deferred gift annuity is an ideal gift plan to consider. If he makes a gift of \$50,000 and defers payments to age 65 (when he plans to retire), he receives a payment rate of 6.5% and is eligible for a current income tax deduction of \$15,057. Beginning at age 65, he will receive annual payments of \$3,250 for the rest of his life.

*Example is for illustrative purposes and is based on an AFR of 2.0%.*

“YOUR DONATION REINFORCES THE IDEALS PHI KAPPA PSI WAS FOUNDED ON. THANK YOU FOR BELIEVING IN ME.”

— Jack Quigley *Rowan '14*



### CROSSING OVER: INCOME PLANNING

Crossing over from work to retirement is a time of transition. When retirees shift their focus from accumulating assets to accessing and distributing those assets, providing income becomes the primary planning concern. Fortunately, there are gift plans that can help retirees meet this challenge.

**CHARITABLE GIFT ANNUITIES** There are many reasons why donors who need a lifetime income starting immediately turn to charitable gift annuities:

- The payout rate locks in for life—at rates higher than you might expect
- A current income tax charitable deduction can reduce tax bills
- Donors can establish a new gift annuity year after year if annuities continue to be a good tool for maintaining retirement income

**CHARITABLE REMAINDER TRUSTS** A charitable remainder trust (CRT) is another way to make a gift that generates a lifetime income. Although more complex than a gift annuity, it provides more flexibility. By funding the trust with appreciated property, donors can sidestep additional investment taxes at the time of the transfer and still benefit from a current income tax charitable deduction. A CRT will provide income payments for as long as you or your beneficiaries live, or for a specified term up to 20 years.

## LIVING HAPPILY EVER AFTER

The need to review and revise retirement plans does not stop at retirement. Indeed, one of the rewards for hard work and diligent planning is the opportunity to provide a lasting legacy by making an even greater philanthropic impact during retirement. Retirees should review retirement and philanthropic planning intentions periodically to:

- Make certain goals are still being met
- Determine whether changes in family circumstances and personal priorities have altered philanthropic goals.

During this stage in life, there are many gift options to consider:

- Bequests and beneficiary designations are the simplest options. There are many ways to set up charitable bequests through your will. Naming the Phi Kappa Psi Foundation the beneficiary of a life insurance policy or qualified retirement plan is an easy way to support the Fraternity with no out-of-pocket cost to you.
- A charitable gift annuity remains a good option, and may even be worth greater consideration as you age. Of course, the payout rate is fixed at the time you set up the gift annuity, and you can establish a new gift annuity every year if you find it is a good tool for maintaining streams of retirement income.
- Retirement plan assets may also be an excellent gift choice. When you leave these assets to an individual, that person will have to pay income tax upon receipt of the property. Not so for the Phi Kappa Psi Foundation—since we are a tax-exempt charity, we do not owe tax on the gift, meaning the full amount of your legacy gift will immediately support our work.
- Real estate, such as a vacation home or second property the family no longer wishes to keep, can also make an excellent gift. Even when the property is no longer used due to changing circumstances—children move away, grandchildren lose interest—property taxes and maintenance expenses continue to erode assets. There are several tax-advantaged ways to donate real estate. We are happy to help you examine the feasibility of these gift options.

## USING CHARITABLE GIVING IN YOUR RETIREMENT PLANNING

WHERE YOU ARE NOW	WHAT IT LOOKS LIKE	CHARITABLE GIVING OPTIONS
Running the marathon	Middle to late career years, implementing a plan, perhaps making an extra push before retirement	Maxed out qualified plan Catch-up contributions Deferred charitable gift annuities
Crossing over	Shift from accumulating assets to distributing assets, with emphasis on creating income streams	Charitable gift annuities Charitable remainder trusts Gifts of appreciated property Gifts by will or trust
Living happily ever after	Retirement years, providing income and maintaining wealth while creating a legacy	Bequests and beneficiary designations Laddered gift annuities More complex trusts Gifts of retirement assets or real estate

## PHILANTHROPY AND RETIREMENT: A GOOD FIT

There are smart gift options for retirement planning at any stage of life. We hope this issue has provided insight regarding some practical ways that your philanthropic efforts can complement your retirement planning. Please take a moment to contact us by phone or email, or use the enclosed reply card to request our complimentary brochure, *Planning Options for Your Stage in Life*. You can also request additional information about any of the gift ideas covered in this newsletter. As always, we appreciate your support of the brotherhood.

Any time you would like to have more information about effective and creative ways to support Phi Psi, visit our website at [www.PKPFoundation.org](http://www.PKPFoundation.org).

The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income tax include federal taxes only. Individual state taxes and/or state law may impact your results.



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