Michigan Technological University

Foresight

A Financial and Charitable Planning Guide

Fall 2007

Lawyer, historian, and exemplary IRA donor

Richard Witte

If there is a pattern to Richard Witte's charitable giving, it is to do so "when the circumstances are right."

A good example of that timeliness is his participation in the IRA Charitable Rollover initiative—a two-year window of opportunity, scheduled to conclude at the end of 2007, for those age 70½ or older to donate funds directly from an IRA to charity without having to pay additional taxes.

Witte used the program to help Michigan Tech and recommends that others do the same. He sums up the opportunity in one word: "nice."

He also has provided for Michigan Tech in his estate plans. All of his giving is unrestricted. "I don't tell them how to spend it," he says. "They know where the needs are."

A native of Oak Park, Illinois, Witte graduated from Michigan Tech in 1950 with a bachelor's degree in metallurgical and materials engineering. "They did me, an out-of-state applicant, a favor by admitting me." But he is being modest, for he was a standout student.

He was a member of three honor societies: Blue Key, Alpha Sigma Mu (metallurgical and materials engineering), and Tau Beta Pi (engineering). He also was the editor of the Keweenawan for two years. "I enjoyed all aspects of college—the studies and the friends," he says.

After graduating from Tech, Witte served three years in the navy, 1951–54. He was a gunnery officer on a destroyer deployed in the Atlantic Fleet. He went on to serve twenty years in the naval reserve, retiring as lieutenant commander.

After his active duty, Witte earned a law degree from Indiana University, Bloomington. When he graduated, he had the ideal credentials for patent work—studies in both engineering and law—and was hired in 1956 by Procter & Gamble as a patent attorney. In 1992, after having achieved international stature in the field, he retired as vice president and chief patent counsel worldwide. He continues to reside in Cincinnati, Ohio, where P&G is headquartered.

In retirement, Witte maintains ties with Michigan Tech. He is a member of the Alumni Association and the Materials Science and Engineering Academy. In addition, he and his wife Nancy are members of the McNair Society and the 1885 Society.

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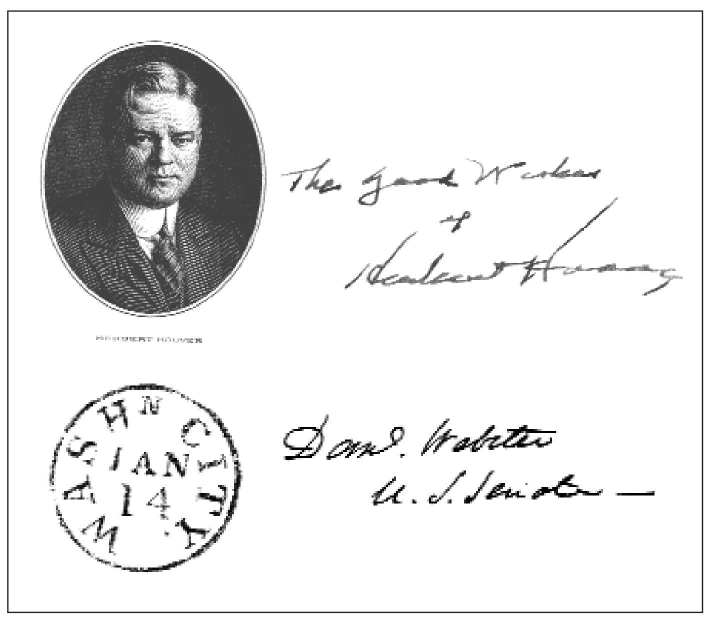

After a noteworthy career in patent law, Richard Witte of Cincinnati, Ohio, enjoys equally remarkable pastimes. One is collecting autographs of important people in history. Two are pictured here: Herbert Hoover (d. 1964) and Daniel Webster (d. 1852).

You can have your cake and eat it too!

One of the most time-honored ways to make a gift to charity is establishing a charitable gift annuity. Reportedly, the first gift annuities were created in the mid-nineteenth century. There are now many creative options for structuring gift annuities based on your individual needs and desires.

Thousands of people have a passionate concern for their favorite charities, yet recognize that they may outlive their resources and may need future income. Some will need income for life and others for the short-term until other retirement resources become available. A charitable gift annuity with the Michigan Tech Fund offers a unique opportunity to serve each of these goals admirably.

A gift annuity is a simple contract where the Michigan Tech Fund agrees to pay you a fixed rate every year for as long as you live. When you set up the gift annuity, you will receive an income tax deduction for your gift to us.

At the present time, Michigan Tech annuitants earn incomes between 5.3 percent and 11.3 percent, depending on age, for a one-life annuity. If the date when the gift annuity payments begin is deferred one year or more beyond the date the gift annuity is set up, the rates can be even higher. For donors who are younger, the option to elect a deferred payment and be flexible on the payout date is quite attractive.

There are also creative ways to fund an annuity using a variety of property for the gift including CDs, stock, or real estate. There are many scenarios to consider that will benefit donor and charity alike. ■

For more information

To learn more about Michigan Tech's creative options for gift annuities to meet your needs, please call our Office of Gift Planning at 906-487-3325, send an email to ehalonen@mtu.edu, or return the enclosed card. We would be happy to send you our free brochure on charitable gift annuities and to prepare a customized illustration showing how this gift planning option can benefit you.

The class of 2024 and beyond

A project long talked about and dreamt about recently became a reality when the University's new child-care center opened in mid-August.

The Little Huskies Child Development Center is a 4,400-square-foot facility located on MacInnes Drive between the Student Development Complex and the U.J. Noblet Building.

Becky Christianson, project manager for the vice president for administration and a member of the Michigan Tech Childcare Board, sees the center as a dream come true. "It's been a need for more than three decades," she says.

Over those many years, "A lot of people have kept the faith," President Glenn Mroz says at the dedication of the center in October.

There were kudos all around for the support behind the project, which included concerned people and organizations from all around campus as well as the administration and the Board of Control.

Mroz noted that BOC members, particularly David Brule and Mike Henricksen, were involved in the initiative and asked, for instance, that the facility have in-floor heating. "That's important when you're little and the heat is all up there," Mroz says.

The demand for quality, affordable child care has never been greater, Christianson adds, as baby-boomer faculty and staff begin to retire and are replaced by younger employees.

"We have a campus population that is changing, and we need to consider the needs of families with young children," she says. "In addition, this fits in with our strategic goal of attracting and retaining the best faculty, staff, and students."

Mroz agrees. "The center promotes the work-life balance that's important to us all."

Gretchen Preston, who has nine Gretchen's House child-care centers in southern Michigan, operates the center. Her eight teachers all have college degrees in early childhood development or a related field.

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Little Huskies have a second home.

Savvy senior—How to choose a financial planner

Dear Savvy Senior,

Can you give me some advice on how to choose a financial planner? My wife and I need some advice on what we need to do to prepare for our retirement. What can you tell me?

—Financially Inept

Dear Inept,

Financial planning has become a hot industry in the United States. But with all the different financial advisors and services available today, how do you choose a trusted professional who can meet your needs? Here are some suggestions to consider.

A good place to start looking for a savvy financial advisor is with those who hold the title "certified financial planner" or CFP. To earn the title, CFPs must take a wide range of personal-finance courses, sit for a two-day exam, practice for at least three years after taking the exam, and keep up with their education. They're taught to look at the "big picture" with regard to your finances–talking you through your goals as well as advising on the details of your financial life.

When looking for a CFP, be prepared to find an alphabet soup of other titles and designations, such as certified senior specialist (CSS), retirement plans associate (RPA), certified retirement counselor (CRC), certified senior advisor (CSA), and many others. In fact, there are more than sixty different certified-this or registered-that designations that provide various financial services. Be alert, however, that some certifications require no more than a few one-hour courses at a seminar or online. If you're considering a financial planner with various certifications, be sure they're also a CFP. To get a listing of the various certification designations and their prerequisites, visit the National Association of Securities Dealers' website at www.nasd.com, click on *Investor Information*, and then *Professional Designations*.

You're probably better off hiring a CFP who is a "fee-only" planner versus one who earns a commission by selling you financial products. Fee-only planners charge only for their services–for example, you might pay $100 to $200 an hour for a financial tune-up, a flat fee per project, or an annual retainer or 1 percent of assets for money management. Note that some call themselves "fee-based" or "fee-offset" planners, which means they charge both fees and commissions. You're better off with planners who sell no products at all. Here are some resources to help you find a fee-only CFP:

- National Association of Personal Financial Advisors: Offers a fee-only membership directory of over 1,000 planners. Visit www.napfa.org or call 800-366-2732.
- Certified Financial Planner Board of Standards: Offers a national directory of more than 50,000 CFP professionals as well as a free planning resources kit to help you research a CFP. Visit www.cfp.net or call 888-237-6275. Once you locate a few local planners, you'll need to call them to find out how they charge. ■

Savvy Senior is written by Jim Miller, a regular contributor to the NBC Today Show *and author of* The Savvy Senior *book. The articles are offered as an informative service to our friends and may not always reflect this organization's official position. Jim invites you to send your questions to: Savvy Senior, Box 5443, Norman, OK 73070.*

Your IRA . . . A tax-effective way to support Michigan Tech

If you are over age 70½, the federal government permits you to distribute up to $100,000 in calendar year 2007 from your IRA to charity without federal tax impact. Better yet, the gift will qualify for your required IRA minimum distribution, thereby lowering your taxable income. However, under current legislation, this opportunity is only available until December 31, 2007.

Here are five reasons to consider asking your IRA custodian to make a direct transfer to Michigan Tech:

1. It's a simple and easy method for an end-of-year gift.
2. You want to make a gift above your 50 percent adjusted gross income limit.
3. You are looking for a good opportunity to make a special "over and above" gift.
4. You take the standard deduction and would like to benefit from a charitable gift.
5. You want to keep a lower taxable income if you are facing higher Social Security taxes.

An IRA also can be one of the best assets to use for a charitable bequest. Leaving surplus retirement plan assets to individual heirs can subject these funds to both estate and income taxes. On the other hand, a bequest of all or a portion of your IRA or other retirement account to a charity like Michigan Tech avoids this double taxation so that 100 percent of these assets can be used to benefit the program of your choice.

To learn more, contact our Office of Gift Planning today. Call 906-487-3325, or send an email to ehalonen@mtu.edu. ■

Lawyer, historian (continued from page 1)

Through the years, his service has included being a member of the Cincinnati YMCA board of directors and a ruling elder of the Presbyterian Church.

Witte also indulges stimulating pastimes. He is an historian with more than three thousand books on American, British, and French naval history and military subjects. He collects autographs of famous people; two of his favorites are Robert E. Lee and John Calvin.

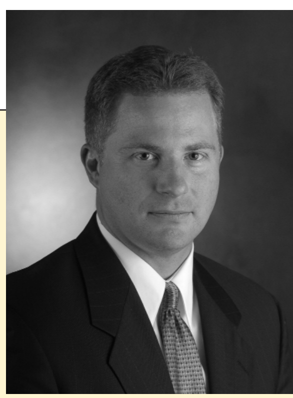
Along with spending time with their two children and four grandchildren, he and Nancy travel regularly to London for the theaters. ■

The class of 2024 (continued from page 2)

The Little Huskies accommodates 8 infants, 16 toddlers ages 1–3, and 24 preschool students ages 3–5.

The center is open from 7:30 AM–5:30 PM and provides breakfast, lunch, and snacks. The program emphasizes active, participatory learning in a supportive environment.

While the children of Michigan Tech faculty, students, and staff are given preference, children from the community may enroll on a space-available basis. For more information, see www.mtu.edu/childcare. ■



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Visit our website: www.mtulegacy.org

Michigan Tech's gift planning website provides up-to-date information on financial and estate planning to assist you in creating a plan that is right for you. Visit us online at www.mtulegacy.org. There you will find helpful information such as:

- Weekly articles on estate-planning vehicles, including wills, charitable gift annuities, and trusts, that can work for you
- Stories of donors who received tax benefits by making charitable gifts
- Personalized web presentations that can show the income and tax benefits of setting up a gift plan that uses your assets and property values

Also you can sign up to receive our free eNewsletter! ■

Michigan Tech's McNair Society

The McNair Society recognizes those who leave a legacy for Michigan Tech by providing specific bequests or planned gifts through their estates. We are pleased to recognize the following new members:

H. Lee Evans '54
Karl and Marilynn G. Goering
William and Eloise Haller
Eugene and Helen Huang
Neal Johns PE '61 and Emily Johns
Tanya J. Klain '90
Suzanne and Dimitri (dec) Kosacheff
Robert L. Petrusha '64

We thank them for including Michigan Tech in their estate plans. If you have provided for the University through your estate and have not previously informed us, please let us know. We would like to honor you, also, in the McNair Society. ■