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R. B. STEWART SOCIETY FALL 2011

JACK WARNER AND KATHLEEN L. MCCANN: PRESCRIPTION FOR A HEALTHIER TOMORROW

Whether you think of philanthropy as giving back in gratitude or giving forward in generosity, few people embrace it with such enthusiasm and gusto as Jack Warner and Kathleen L. McCann.



Jack graduated from Purdue in 1953 with a degree in industrial economics. He soon became a success in the insurance industry, where he got a firsthand education in estate planning. Wise investments and skillful management of his assets enable his philanthropic impact today.

As the years and his career progressed, Jack moved back to Chicago, where he was born and raised. The move also brought him closer to his alma mater.

About 10 years ago, with Kathleen by his side, Jack reconnected with his Alpha Tau Omega fraternity brothers and renewed his memories for some of the best times of his life — his days at Purdue. And they are making new memories now.

If at all possible, the couple annually returns for Homecoming and other events. As Lifetime President's Council members, they attend the annual dinner like last year's celebration with alumni luminaries Neil Armstrong and Capt. Chesley "Sully" Sullenberger.

Their philanthropic passion is health care and, specifically, the School of Nursing. Both Jack and Kathleen experienced personal health crises as patients and with loved ones. From those ordeals came profound appreciation for the value of the frontline people who provide so much hands-on care and comfort — nurses.

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SAVE THE DATE

10.22.11

Purdue Homecoming

2.18.12

President's Council
Back to Class
Mollenkopf Weekend
Naples, Florida

5.31-6.2.12

Women for Purdue
Purdue University

PRESIDENT'S COUNCIL

Membership questions?
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PURDUE
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Q & A

**EXPERT OPINIONS WITH
ANDRÉ DONIKIAN**

André R. Donikian, chairman and founder of Pentera Inc., is an attorney and a member of the New York Bar Association. Donikian is a planned and major gifts expert with 35 years of service in the field. As chairman and founder of Pentera Inc., a full-service planned-giving firm based in Indianapolis, he has advised thousands of nonprofit organizations — including Purdue University — on all aspects of connecting organizations and donors.

Donikian has served on the board of NCPG and the Board of Advisors of Union College and is a founder and former board member of the Planned Giving Group of Indiana. He is the recipient of numerous awards, including the David M. Donaldson Distinguished Service Award from the Planned Giving Group of New England in 1991, and the Spirit of Philanthropy Award from the Center on Philanthropy at Indiana University in 2006.



Donikian has published and lectured extensively on philanthropic tax planning and has developed continuing education programs for state bar associations and accountancy boards. In addition to his reputation as a sought-after speaker who helps nonprofits further their missions, he also provides individual donors with vital information that might affect their ability to achieve their philanthropic goals.

What motivated you to specialize in planned giving?

I worked for a law firm in the late 1960s and my boss at the time was a pioneer in planned giving. Through his direction and tutelage, I had the opportunity to embark on a fantastic career in planned giving. The tax act Congress passed in 1969, along with my mentor, established my career as an expert in the field of planned giving from a legal and technical view. This introduction into planned giving led to my founding of Pentera Inc. in 1975.

What is the most unusual gift of property offered for donation in a case where you were involved?

There was a very interesting case of a group of five young medical doctors desiring to donate their medical building. This can be very difficult but in this instance, at the same time, a teaching hospital had the opportunity to utilize the building, allowing the young physicians to all agree to a gift exchange for a deferred annuity.

Of all the planned gifts you participated in, which one resonates the most with you and why?

They all do! All of the planned gifts I have facilitated are directed and designed for the donor. They are each one very personal.

Of all the planned giving instruments, which one do you believe will become the most relevant during the next decade?

Charitable gift annuities will continue as a popular choice. The reason being is the applications for both the donors and the charities. I can only hope the charitable remainder trust regains its former popularity as these vehicles provide creative, flexible alternatives in planned giving.

FAST FACTS

IRA CHARITABLE ROLLOVER

If you are over 70 ½, the federal government permits you to roll over up to \$100,000 from your IRA to Purdue University without increasing your taxable income or paying any additional tax. These tax-free rollover gifts could be \$1,000, \$10,000 or any amount up to \$100,000 in 2011.

BEQUEST OF IRA

Did you know you can designate Purdue as the beneficiary of your IRA? This permits you to continue to take withdrawals from your IRA during your life and then leave the remaining value of your IRA to Purdue.

TESTAMENTARY IRA GIFT ANNUITY

You can also make a future gift of your IRA to Purdue providing life income to your heirs. Your family will receive fixed payments at competitive rates based on your age.

As the White House and congressional leaders continue to focus on budget deficits, there is an ongoing discussion of the potential of reducing deductions. These tax deductions are frequently called "tax expenditures" because they reduce the total revenue for the government. Many of these tax expenditures are quite popular with the American taxpayers: Periodically, the Joint Committee on Taxation publishes the amounts of the tax expenditure as a percentage. If all taxes saved through deduction is 100%, then each tax expenditure listed below reflects its piece of the pie. **Top tax expenditures include some of the following:**

- 1. Health Insurance – 13%** Most health insurance is paid by the employer and not taxable to the employee, making this the largest tax expenditure.
- 2. Home Mortgage – 9%** Home mortgage interest is generally deductible with a \$1 million mortgage limit.
- 3. Capital gains and Dividends – 8%** The top rate is 15% for long-term capital gains and dividends.
- 4. Medicare Benefits – 7%** Though seniors pay a partial Medicare premium, most of the cost of Medicare is paid for by the government.
- 5. Pension Plans – 6%** Many pension plans are primarily funded by the employer, but some plans include a partial contribution by employees. A qualified plan enables those contributions to be made with pre-tax dollars.
- 6. Earned Income Credit – 5%** Lower-income families are permitted a refund credit.
- 7. State and Local Tax Deductions – 5%** Most tax payments to state and local governments are deductible on the federal return.
- 8. 401(k) Deductions – 4%** Most 401(k) plans have a pre-tax contribution by the employee along with the employer match.
- 9. Capital Gains in an Estate – 4%** Land, stock and homes may be appreciated in the estate. However, there typically is no capital gains tax if these things are sold by the family at the estate value.
- 10. Charitable Deductions – 4%** Donors may give cash or appreciated property to charity and receive a deduction.

HEALTHIER TOMORROW

CONTINUED FROM PAGE 1

"I've been on the receiving end of health care enough that I am now privileged to be on the giving end," says Jack.

Kathleen, a talented muralist, enthusiastically shares their story and passion for giving, as she did at the 2011 Women for Purdue event. "We've been blessed with a good life, we believe in giving back and we just love Purdue and nursing," Kathleen says.

"Jack and Kathleen understand the importance of giving back and epitomize what it means to be humanitarians, philanthropists, and most importantly, Boilermakers," says Christine Ladisch, Dean of the College of Health and Human Sciences.

Kathleen says Jack's gifts to the School of Nursing and befriending nursing students have been among the most satisfying experiences in his life. And she adds, "We can't do enough for



Jack and Kathleen with cheerleaders. Go Team! Purdue cheerleaders cheer on nursing school benefactor Jack Warner and Kathleen L. McCann at the skybox at Ross-Ade Stadium. "Jack likes to be among the students, and especially those he is helping to be our future," says Kathleen. "They represent why he wants to give to Purdue. Jack loves Purdue — and I am in unison with him."

Purdue and we want to do more. Our gifts to Purdue make Jack happy and therefore they make me happy too."

Thanks to their loyalty, their legacy and their love, Purdue-educated nurses and their patients will be undoubtedly happier — and grateful — too. Grant Flora, senior project editor, Purdue Marketing and Media



GREETINGS R. B. STEWART SOCIETY MEMBERS

A new academic year is underway and students bring so much life to campus. With each new beginning we see unlimited possibilities, not only in the faces of each new Boilermaker but in the future of Purdue University as well.

The story of Jack Warner and Kathleen L. McCann, along with the interview with noted planner and expert, André Donikian, provide us tremendous insight as to how planned gifts represent a combination of personal passions, gratitude and legacy. Your story is no different and is invaluable in moving Purdue forward.

As we continue onward, we must also look back and celebrate the leadership and loyalty of Gordon Chavers, senior director of planned giving and general counsel, and Chuck Sage, senior staff counsel. We are grateful for their expertise and wise direction during their combined 55 years of service. Their vision and commitment to Purdue University's Planned Giving department provided a foundational success from which we will continue building.

Our priority will always be assisting you, our most loyal alumni and friends, with your own legacy of giving to Purdue. Philanthropic support, especially the R. B. Stewart Society, will be the catalyst that propels us. Thank you for the tremendous impact you make in the lives of so many Boilermakers.

With all good wishes ... Sincerely yours,



Lisa

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R. B. STEWART SOCIETY

SPRING INDUCTEES

New inductees to the R. B. Stewart Society were recognized for their commitment and support to Purdue University at the R. B. Stewart Society Annual Luncheon on April 15, 2011, in West Lafayette, Indiana.



Robert and JoAnn Ferguson



Tom and Susan Pierce



Jack Warner and Kathleen L. McCann

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