

# R.B. STEWART SOCIETY

## FALL 2016



## A Legacy of Love

“Legacies” can come in many forms. Love given. Memories of a life well lived. And, in the original sense of the word, treasure passed down from one generation to the next.

For Edmund Natke, the term encompasses all the above.

“Ed firmly believed that a solid education was the foundation for a successful life,” explained Karen Schlindwein, Ed’s niece and the executor of his estate.

Ever the grateful Boilermaker and supporter of higher education, Ed included Purdue in his estate plans and named the University as a beneficiary of his trust. Karen is currently working with Purdue to utilize these funds to establish a scholarship in Ed’s name that ensures his legacy lives on at Purdue in perpetuity.

Karen also has the loving duty of helping to care for Ed’s widow and her aunt, Ermanna. The Natkes had no children of their own, and Ermanna, an only child, only has family in her native Italy. At almost 91 years old, Ermanna requires long-term care that must be planned, managed, and funded.

Wisely, Ed and Ermanna steadily saved throughout their working years. In addition to their savings, Ed diversified their retirement income by establishing two charitable gift annuities (CGAs) with Purdue in 2008.

“The annuity is useful, as it will help to pay a portion of the caregiving expenses that Aunt Ermanna currently has,” Karen confirmed.



Ed Natke poses with fellow Reamer Club members.

## SAVE THE DATE

# 2016

**August 29 • 10:30 a.m.**  
Indiana Corn and Soybean  
Innovation Center Dedication

**September 9 • 4:30 p.m.**  
Honors College Dedication

**October 13 • 4:00 p.m.**  
Page Pavilion Dedication (Civil Engineering)

**October 14**  
R.B. Stewart Society Annual Event  
• 9:00 a.m. Breakfast at Patti and Rusty Ruffe Galleries  
• 10:00 a.m. Lecture at Carole and Gordon Mallett Theatre  
*Watch your mailbox for details!*

**October 15**  
Homecoming vs. Iowa

**November 11 & 12**  
President’s Council Weekend

**PURDUE**  
RESEARCH FOUNDATION

A charitable gift annuity is a simple contract in which you exchange a gift of cash or securities for a fixed income for the rest of your life, or in this case, the lives of two people. At Purdue, CGAs are established with a minimum of \$10,000 and entitle the donor to a tax deduction in the year they set it up, as well as favorably taxed income from the annuity.

According to the World Health Organization, women live longer than men. Thus it was no surprise when Ed asked for an illustration for a third CGA that would provide a lifetime income to him, and more importantly, Ermanna. He wanted to ensure that, should she outlive him, she had steady income and didn't have to worry about the day-to-day finances.

Ed's previously established annuities not only provide a lifetime income and tax benefits, but also provide the residual of the donation to the Purdue Center for Cancer Research and the John Purdue Club – causes that Ed, as a cancer survivor and former Purdue wrestler, found quite meaningful. Ed was also a proud member of the Reamer Club and Delta Rho Kappa, the honorary science club during his time in West Lafayette.

"Ed's father died before he was born, and because of this, he attended Purdue for a discount," Ermanna noted. Purdue, she said, was a big part of Ed's life for as long as she had known him.

Because of his previous positive experience with Purdue annuities, Ed decided to establish that third annuity using appreciated stock. By doing so, he didn't have to realize the capital gains due all at once and instead was able to spread the taxes due out over his and Ermanna's life expectancy. Additionally, their combined ages secured a return rate of 7.5%. (Rates are determined by the number of annuitants and their ages.)

As he anticipated, Ed passed shortly after he established the third CGA. Because of his foresight, Ermanna receives quarterly deposits that are favorably taxed and serve as reliable income – just as Ed intended.

For his family, his wife, his niece, Purdue, and all the beneficiaries of his wise investments and good heart, Ed Natke's legacy will live on.

# Here We Grow Again!

Located in the heart of the West Lafayette campus, the 164,000-square-foot Wilmeth Active Learning Center will be a daily academic destination for 5,000 Purdue students and faculty when it opens in the fall of 2017. The center consolidates six engineering and science libraries and brings together formal study spaces, collaborative work areas, informal learning spaces, and 27 active learning classrooms (designed for collaborative, student-focused learning) into a "learning commons" for the 21st century. Its Grand Reading Room will include a spectacular view of Purdue's iconic Bell Tower.



**Wilmeth Active Learning Center**



**Purdue Honors College and Residences**

A multi-year academic residential college for high-ability students, the Honors College and Residences will be the new home of the Purdue Honors College, which fosters transformative scholar and leadership development. The new facility, which will be dedicated on September 9, 2016, will be located at the southwest corner of Russell and Third Streets.

This latest addition to the Beck Agricultural Center will support research related to plant phenotyping and technology innovation. The facility accommodates two large growth chambers linked to a series of automated imaging stations that will make it possible to image plants from any campus greenhouse or growth space. It also will allow for uniform growth conditions that are difficult to replicate in the field, so that researchers have precise control over experimental variables.



*The Indiana Corn and Soybean Innovation Center*

## ***The IRA Rollover Is Now Permanent!***

Back in December, Congress passed the Protecting Americans from Tax Hikes (PATH) Act, making the IRA charitable rollover permanent. The rollover allows those 70 1/2 and over to make gifts, up to \$100K, directly from their IRA to a qualified charity without realizing the distribution as part of their taxable income. Even better, the gift qualifies towards the donor's required minimum distribution (RMD).

Donors who take advantage of the IRA charitable rollover do not receive a charitable deduction, since the distribution does not count toward their taxable income. On the surface, it may seem as though there is no difference between using the rollover versus a standard gift of cash. Let's examine several advantages that make the IRA charitable rollover so attractive.



### **Using your IRA to give to charity may:**

- Reduce your taxable income.
- Potentially lower the tax due on your social security payments.
- Enable you to avoid IRS tax limits.
- Provide nonitemizers a way to enjoy charitable giving tax benefits.
- Reduce assets in an IRA account that can be highly taxable at death.

### **Additionally, making an IRA rollover gift may prevent you from:**

- Being bumped into a higher federal and/or state income tax bracket.
- Hitting the phase-outs on your deductions and personal exemptions.
- Falling into the alternative Minimum Tax (AMT).
- Incurring the Affordable Care Act (ACA) tax.

### ***What if I'm not old enough?***

Even if you aren't old enough to reap the benefits of the IRA charitable rollover, gifting highly appreciated securities is an alternative that could potentially reduce your current income tax liability.

#### **Here's how it works:**

- Donor directly transfers securities to the Purdue Research Foundation (PRF).
- PRF sells the securities and incurs no tax consequences due to non-profit status.
- Donor avoids capital gains and receives a deduction for the full market value of the stock.

By gifting securities, you may also enjoy the advantage of preserving cash for other needs, while locking in the benefit of past gain for the Old Gold and Black.



# GREETINGS

## R.B. STEWART SOCIETY MEMBERS

I write to you today as we are just crossing the halfway point of *Ever True: The Campaign for Purdue University*, our University's largest fundraising effort to date with a goal of \$2.019 billion. What began as a quiet rumble has been steadily building steam and will conclude alongside several notable Purdue milestones.

In 2019 Purdue will celebrate its 150th anniversary – having grown from a class of 39 students at a humble campus on what had previously been a hundred-acre cornfield, to a world-renowned leader in research and higher education with over 68,000 students at its multiple campuses and statewide locations. On July 20, 2019, we will also celebrate the 50th anniversary of man's first visit to the moon: the first steps taken by one of Purdue's prominent sons, Neil Armstrong. The year 2019 will be a year for all of us to take a moment to think of all of the great things that our fellow alumni have accomplished in so many years, and to dream about the many great things to come.

You and your fellow Boilermakers have all made an indelible impression on this world. For nearly 150 years, you have found solutions to tough problems, and you have applied your Boilermaker values for the betterment of the world around you. You are innovators and entrepreneurs; you have dreamed big and accomplished much, and I thank you for the legacy you leave behind.

Speaking of legacies... While the foremost thought in any campaign is to address immediate capital needs, the gains we make today are fleeting unless we can preserve them into the future. Each planned gift is a step toward continuity. Your legacy gifts will help us preserve our past and current accomplishments and will perpetuate the values Purdue has instilled in us into the future. Your gifts are a long-term investment in what has made Purdue great, and your legacy will ensure Purdue can continue to produce the leaders and problem solvers of tomorrow.

With sincere gratitude from West Lafayette,



**MARCUS KNOTTS, J.D.**

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# ADD IT UP

PURDUE GIFT ANNUITY RATES	
One Annuitant	
AGE	RATE
60	4.4%
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%

Rates effective as of July 1, 2016

## PLANNED GIVING STAFF MEMBERS

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The Purdue Research Foundation is an independent organization that acts for the benefit of Purdue University. EO/EAA