

**Collective Fund Performance (9/30/2011) - NET PERFORMANCE**

		Annualized	Annualized	Annualized	Annualized	Annualized	Annualized
Pension Fund	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	15 Yr.	20 Yr.
GPTC Equity Fund	-2.0%	6.2%	2.8%	3.2%	9.6%	12.4%	11.3%
GPTC Large Cap Fund	-13.1%	-2.4%	4.0%	-0.1%	na	na	na
GPTC USA Global Fund	-10.9%	1.6%	4.2%	2.6%	4.3%	5.5%	na
GPTC Small Cap Fund	-19.1%	-10.8%	3.1%	0.4%	7.2%	10.2%	na
GPTC Value Fund	-13.5%	-3.0%	-2.0%	na	na	na	na
GPTC Science & Technology	-10.2%	-0.1%	10.2%	3.8%	7.0%	na	na
GPTC Mid Cap Fund	-14.3%	-3.4%	8.7%	3.2%	na	na	na
GPTC International Fund	-14.9%	-11.8%	1.9%	0.3%	na	na	na
GPTC Fixed Fund	1.7%	2.9%	8.1%	4.2%	6.6%	7.1%	8.6%

**Indices (9/30/2011)**

		Annualized	Annualized	Annualized	Annualized	Annualized	Annualized
Market Index	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	15 Yr.	20 Yr.
S&P 500	-8.7%	1.1%	1.2%	-1.2%	2.8%	5.2%	7.6%
Russell 2000 Growth	-15.6%	-1.1%	2.1%	1.0%	5.5%	3.0%	na
S&P MidCap 400	-13.0%	-1.3%	4.1%	2.2%	na	na	na
Lipper Science & Technology	-11.8%	-1.3%	7.2%	2.6%	4.0%	na	na
S&P ADR	-18.9%	-10.4%	-1.9%	-1.9%	na	na	na
MSCI EAFE	-15.0%	-9.4%	-1.1%	-3.5%	na	na	na
Lipper High Yield Bond Index	-2.8%	0.9%	9.9%	4.8%	7.0%	4.9%	6.9%

Past performance is not indicative of future results. Investments are not insured by FDIC, are not deposits or other obligations of Great Plains Trust and are not guaranteed by Great Plains Trust. Investments are subject to risk, including possible loss of principal invested.

Performance for the GPTC Pension Funds are net of the 1% annual fee and includes the reinvestments of interest and dividends.

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**Avoiding Shouting Matches**

Mike Sears, Great Plains Trust Company



Mike Sears is a Trust Officer and attorney at Great Plains Trust Company. For questions about corporate trustees, please contact him at (913) 647-1289.

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When Mike and Carol were deciding who they wanted to serve as their successor trustee, their oldest son Peter seemed like the natural choice. Although not a CPA, Peter had a degree in accounting and was a successful business owner. Peter was happy to be named, got along well with his only sister, and thought he would be able to save the family money if he served as trustee.

When his surviving parent passed away, Peter was surprised at the level of grief he encountered and the brief period of depression that it caused. Still, he agreed to serve as trustee and began the administration of the estate. Assets needed to be collected, inventoried and managed, bills had to be paid, and tax returns had to be prepared. All of this occurred during his busy time at work, adding to the stress he already faced trying to balance the time required as a business owner and the time

he wanted to spend with his family. Peter's sister Marcia, who was viewed by her parents as a bit of a spendthrift, was upset that she was not named as trustee. She was even more upset to find out that due to her financial struggles her share had been left to her in trust, and not outright as Peter's share had been. Marcia believed that Peter was taking longer to administer the estate than was necessary and was becoming frustrated by the lack of information that Peter was able to provide about their parent's accounts.

Peter was also becoming frustrated, only his frustration was because not all his parent's assets had been titled in the trust. The resulting probate added to the time and stress involved. Peter's wife, who was irritated by the time the trust administration was taking from the family, began pressuring Peter to take a trustee fee for the time and effort he was expending.

Although Mike and Carol had always used a professional financial advisor, Peter decided that he could save the 1% advisor's fee by handling the investments himself. The investment fees went down, but Peter had little investment experience

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**MISSION STATEMENT**

*"To be a premier provider of investment and trust services to the business owner and high net worth/income individual. We shall deliver responsive, reliable and informed service combined with a commitment to achieving superior long-term investment returns for our customers. We shall at all times deal honestly and respectfully with all clients and associates."*

Many companies have Mission Statements, but they are usually buried in some remote file at the home office. As we continue to develop and evolve our business plan and vision for Great Plains Trust Company we feel the Mission Statement should be the cornerstone of who we are and how we do business. We deeply appreciate your ongoing confidence and trust.



*Jonathan Staton is a Trust attorney and also works with IRAs at Great Plains Trust Company. For questions regarding your IRAs, please contact him at (913) 647-1282.*

## IRA “Stretch Out”

Jonathan Staton, Great Plains Trust Company

### The Power of the “Stretch-Out”

The designation of an IRA beneficiary has important tax implications. Upon an IRA owner’s death, IRA assets must be distributed according to the IRS’s minimum distribution rules. Funds withdrawn from a traditional IRA are taxed as income to the beneficiary. If an appropriate beneficiary is named (either an individual or an appropriately structured trust) the life expectancy of the beneficiary is used to calculate the minimum distributions. This results in “stretching-out” the IRA distributions, allowing the beneficiary to delay the income tax due on the IRA distributions, and allowing the assets remaining in the IRA to grow tax deferred.

For example: Assume that investment growth (inside or outside the IRA) is 8%, that IRA distributions are taxed at 30%, and growth outside the IRA is taxed at 15%. If a fifty year old child is the beneficiary of an IRA worth \$500,000, the child will have over \$3.6 million at age 80 if she takes only the minimum required distributions. If the same child withdraws the money in a lump sum at age 50, pays the income tax on the distribution, and then pays tax on the growth, she will have just over \$3 million at age 80 – a difference of over \$600,000! The difference is even greater for a younger child or grandchild beneficiary.

### Stretching Out a Roth IRA

While no tax is due on amounts distributed from a Roth IRA, stretching-out the payments from a Roth can also have a significant impact because it allows the assets remaining in the Roth

IRA to continue to grow tax deferred.

### Multiple Beneficiaries

If multiple beneficiaries are named of a single IRA, the life expectancy of the oldest beneficiary is used to determine the minimum distribution. If the beneficiaries are close in age, this may not be a problem. However, if one beneficiary is significantly older or younger than the rest, it may be beneficial to use each beneficiary’s own age to determine the distributions. This can be accomplished by dividing the IRA into separate IRAs now, and naming a separate beneficiary for each IRA. If the IRA is divided now, you must be careful to take any lifetime distributions equally from each IRA or one beneficiary may receive less than another. An IRA can also be divided into separate IRAs after the death of the IRA owner, but such division must be done within the time limitation prescribed by the IRS.

### Minimums are Minimums

When discussing minimum distribution rules, sometimes people become concerned that structuring their IRA to allow for a stretch out will prevent the named beneficiary from being able to access the IRA funds if they need them. Remember, minimums are minimums, the beneficiary can always take out more, it just may result in increased taxes.

### Action to take now

If you have an IRA, make sure that you have named a beneficiary. If you have a balance in a 401(k) plan from a previous employer, consider rolling that balance into an IRA. Often the IRA will have more favorable distribution provisions, and will more likely allow for a longer stretch out. Finally, make sure that your beneficiary designation is consistent with the rest of your estate plan. A qualified estate planning attorney will be able to help coordinate your beneficiary designation with the rest of your estate plan to achieve your personal and tax goals.

## OPERATIONS BULLETIN BOARD

- GPTC is happy to announce that Angie and her husband Brett are the proud parents of a daughter, Brecklyn Fay Steinheider.
- For our Trust Reporter (online account) users, we are now updating common stock and mutual fund prices as of each Friday.
- We have added a new procedure for our client’s protection, where GPTC will call to confirm any distribution requests over \$25,000 that have been sent via facsimile.

## Year End Retirement Plan Items/Notices

- 2011 401(k) Deferrals must be completed by December 31st. The maximum deferral amount for 2011 is \$16,500 (\$22,000 if age 50 or over).
- Safe Harbor notice for 2012 must be distributed to plan participants by November 30th. Employer Safe Harbor contributions are either a 3% Non-Elective contribution to all eligible participants or a 4% Matching contribution to participants deferring into the plan.
- Plan contribution and deferral limits for 2012 will be announced by the IRS in late October.
- Any plan terminations or distributions that need to be completed in 2011, will need to liquidate the Great Plains Collective Funds either October 31st or November 30th so that funds can be distributed before December 31st.

## Avoiding Shouting Matches

(Continued from Page 1)

and lacked the time necessary to devote to the asset management. Investment returns dropped by 4 to 5 percent.

Marcia, increasingly frustrated by how Peter was administering the trust and upset that he was taking a fee, started demanding that Peter distribute assets from her trust share. Peter, who knew his parents did not trust Marcia’s financial ability, was put in the awkward position of having to tell his sister that he could not make the distributions she was requesting. Unfortunately, the frustration resulted in a shouting match over Thanksgiving dinner

when Peter refused to accommodate Marcia’s distribution demands.

Had Mike and Carol considered using a professional to serve as their successor trustee, much of this trouble could have been avoided. A corporate trustee can provide knowledge and expertise to help ensure an estate is handled both properly and efficiently. This can reduce family stress and provide the trustmaker and the trust beneficiaries the confidence and security to know things are being done right.

## Carl J. DiCapo



GPTC is pleased to announce that Carl DiCapo has been retained as an independent marketing consultant. Carl

is a well known businessman and civic leader in Kansas City and highly recognized for his dedication and involvement with charitable organizations too numerous to list. He was recently recognized as the National Alumni of the Year by the University of Missouri – Columbia. Carl will bring a special focus to the GPTC team and looks forward to expanding the delivery of high quality products and service to our clients.

## GPTC Services

### Pension Plan Services

Employee Benefit Plans, Plan Design, Employee Education Investment Management

Call Brad Culver at (913) 647-1296

### Personal Trust Services

Revocable and Irrevocable Trusts, Investment Management and Custodial Services, Charitable Trusts and Foundations, Wealth Management for Families and Individuals

Call Mike Sears at (913) 647-1289

### IRA Services

IRAs and IRA Rollovers, Roth IRAs, SIMPLE IRAs, Education IRAs

Call Brad Culver at (913) 647-1296



### Sign up for E-Mail Statements

Receive your quarter end statements 5-7 days faster! GPTC offers online statements and 24 hour account access. If you would like to sign up please e-mail us at [trustops@greatplainstrust.com](mailto:trustops@greatplainstrust.com)