

# Pennock



FOUNDATION

# The Pennock Promise

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WINTER 2009-2010

## Dear Friends,

2009 was a year for celebration with the opening of Pennock Hospice and its achievement of Joint Commission accreditation; Homecare attained “Elite Status” ranking as one of the top performing home care agencies in the United States; and Pennock was rated one of the “101 Best & Brightest Places to Work” for the second year in a row.

Quality continues to be the overarching theme for your hospital in 2010 as we strive to exceed healthcare industry standards. It is this pursuit of excellence that has placed Pennock among the top 5% of hospitals in the nation for having high patient satisfaction scores, and makes Pennock one of the most respected community hospitals in Michigan.

Pennock Hospital is also the largest employer in Hastings and the second largest in the Barry County. With over 650 colleagues, we offer a full line of acute inpatient and outpatient services, and our collaboration with the top tertiary facilities in the State allows us to provide you with the most current healthcare practices.

As a major economic driver of the county, Pennock felt the rippling effect of unemployment and declining payer reimbursement during 2009, but with a remarkable medical staff and committed colleagues, demonstrated the **strength** and **fiber** of our organization to finish the year better than expected. This was accomplished by containing costs and increasing your healthcare value.

One of the ways that Pennock demonstrated value over the past year was through the extension of services to our neighbors in Lake Odessa, Ionia and Caledonia with the opening of the Lake Odessa Diagnostic Center, the Pennock Ionia Center, and our Caledonia Family Medicine Office. This allowed us to provide our patients with easier access to routine services such as lab, radiology, orthopedics, surgery consultation, occupational medicine, rehabilitation, and family medicine. Beginning in January, your healthcare system will expand specialty services in urology with Dr. William Marquis. To improve access to care, parking at the Hospital’s main campus has been enhanced to create available space, and to improve efficiency and patient safety we are implementing electronic (patient) medical records technology.

Your hospital leadership team remains focused on the future of healthcare and will continue to add new or improved services and facilities to address your ever-changing health needs. Together we are the fiber of our community. Let’s weave a future of “extraordinary community healthcare for each other” – neighbors, friends, and family.

Sincerely,



*Sheryl Lewis Blake*

Sheryl Lewis Blake  
Chief Executive Officer

## Noteworthy Numbers

Taxpayers claimed deductions totaling \$52.6 billion for noncash charitable gifts in 2006. Of the 24.7 million returns that included deductions for noncash gifts, 6.2 million reported gifts in excess of \$500, for which Form 8283 was required. The value of gifts in excess of \$500 totaled \$46.8 billion. Although the total number of taxpayers filing Form 8283 dropped from the previous year, the total value of the gifts increased by more than 14%.

*Source: IRS Statistics of Income Bulletin, Spring 2009*

## Recipe for a Couple's Estate Plan

*Generous amounts of estate tax marital deduction* – Married people can leave estates of any size tax free to their spouses, but for a more flavorful estate plan, consider adding a trust that gives the surviving spouse income for life and takes full advantage of each spouse's estate tax credit.

*Heaping spoonfuls of lifetime gifts* – Married couples annually can give up to \$26,000 to any number of people and avoid gift tax. Income earned on amounts shifted to younger family members is removed from the

couple's gross income, and estate taxes may be reduced or eliminated.

*Season with a trust* – Couples can avoid estate tax at the death of the surviving spouse by establishing a QTIP trust that eventually distributes trust assets to charity. During the surviving spouse's life, he or she is entitled to all the trust income.

*Stir regularly* – Estate planning goals change over the years. Review estate planning documents regularly to ensure that they don't become stale.



## Switch to a Roth IRA, Sidestep Taxes

Owners of traditional IRAs can convert to Roth IRAs in 2010, without regard to income limits. Why are Roth IRAs attractive?

- All qualified distributions are tax free, compared with withdrawals from traditional IRAs, which are taxed at ordinary income rates.

- There are no required minimum distributions after age 70½.

- Taxpayers who are still working can continue making contributions to Roth IRAs after age 70½.

- At the owner's death, the assets in the Roth IRA are not subject to income tax.

Before converting, remember that a conversion generates income tax. Special tax rules allow taxpayers making a switch in 2010 to pay half the tax in 2011 and half in 2012. However, if the IRA owner is concerned that income tax rates will be higher in the coming years, it may be better to recognize the income and pay the tax in 2010. It's possible to offset the additional tax by generating additional income tax deductions – and one of the easiest ways to do that is by making charitable contributions. Call us to learn how to secure a charitable deduction while retaining income for life from your gift.

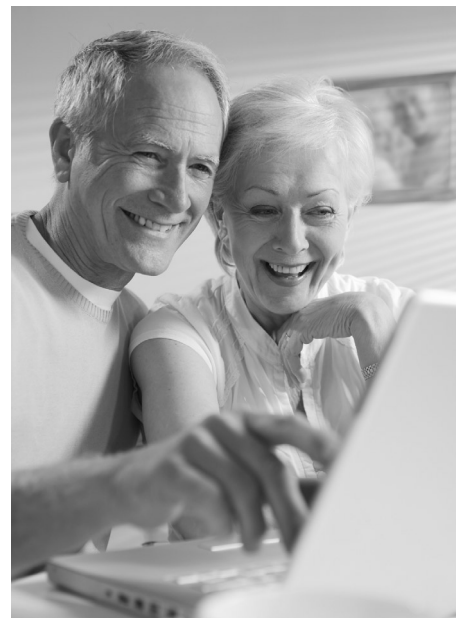
## Estate Planning for Both Spouses

Do both marriage partners really need estate plans? The answer should be obvious: Both the husband and wife need well-considered estate arrangements.

A married woman needs a will even if she holds little or no property in her own name. If the husband dies first and leaves most of his property to his wife, and the

wife then dies without making a will, all of the property will be disposed of according to arbitrary state laws.

Protection of minor children, or of an aged or disabled family member, may also be concerns. If each spouse has a will, a friend or relative can be named to serve as guardian of children if they become orphans.



## Do's and Don'ts in Retirement Planning

Retirement income needs depend upon many factors – the part of the country in which you live and the lifestyle you wish to maintain, for example. But no matter what retirement holds for you, there are some do's and don'ts in planning for your golden years.

**DO** start planning as soon as possible. Check your annual Social Security statement to see how much you can expect in benefits. Consult with the benefits manager where you work to find out about retirement plans and benefit options. The sooner you know your income needs, the sooner you can begin a program to augment your savings.

**DON'T** assume your investments and retirement benefits will keep pace with inflation. The decline in stock values over the past year is proof that investments don't always keep up with inflation. It's better to overestimate the amount you'll need in

retirement and be pleasantly surprised with surplus income, rather than have to cut back due to declining income.

**DON'T** think you'll spend less when you retire. While the costs of buying business clothing and commuting may be eliminated, that doesn't mean retirement is a bargain. If you use your newfound leisure time to travel, explore restaurants, take up new hobbies or start back to school, your expenses may be just as high, or higher, than when you worked.

**DO** save more, even if you think it doesn't amount to much. The beauty of compounding is that your savings grow geometrically. If you invest \$100 per month at 4% interest, you'll have a nest egg of nearly \$24,800 in 15 years. Your savings will be even greater if the funds are in an IRA, 401(k) or other qualified plan where the money can grow tax-deferred.

# The Pennock Promise

## Pennock

### Foundation Board:

Mark Kolanowski, Chair  
Amy Beck, MD  
Sheryl Lewis Blake  
Janine Dalman  
Connie Downs  
Jack Walker  
William Wallace  
Jim Wiswell

## Foundation Announces New Officers

After successfully leading the Foundation and serving as Board Chair for nearly a decade, Jim Wiswell announced his retirement during the Annual Meeting in October. Mr. Wiswell will remain as a Board member to facilitate leader transition.



*Jim Wiswell*



*Mark Kolanowski*

Elected as the new chair was Mark Kolanowski, President, Hastings City Bank. Mr.

Kolanowski has been a Board member for the past two years. Other seats elected were Treasurer, Connie Downs, Chief Financial Officer for Pennock Hospital, and Secretary, Janine Dalman, Executive Director, Pennock Foundation. Sheryl Lewis Blake, Chief Executive Officer for Pennock, will remain Board President.

## The Remarkable Unitrust!

A unitrust is an arrangement in which you irrevocably place money or other assets with a trustee, with instructions to pay someone (probably yourself) income, generally for life. When the person receiving the income dies, the property remaining – the “remainder” – passes for our benefit. By designating Pennock as the remainder beneficiary, you’ll entitle yourself to an income tax charitable deduction. Depending on your planning needs, you can also arrange for increased income for your family, deferral of income until retirement, avoidance of gift tax, and many other benefits.

The Pennock Foundation has a new booklet – *The Remarkable Unitrust!* – that explains how unitrusts work, and how a unitrust might fit your planning needs. Send for your free copy today!

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