

Kiewit + Cerity Partners

Financial Planning Success Stories

Kiewit Stock/Retirement + Tax Planning

- A Kiewit stockholder was saving to purchase their first home. This was very important to them, but they also wanted to fund C Stock purchase with after-tax contributions to Kiewit 401(k) plan. The client saw these as either/or options and didn't think both were affordable.

The Cerity Partner advisor's recommendation was to change the 401(k) contributions from pre-tax to after-tax and reduce the amount by 30% (their combined tax bracket). This allowed the client's cash flow to stay the same so they could afford to both save for their first home and purchase future C stock with after-tax dollars

- Cerity Partners reviewed a Kiewit stockholder's federal and state income tax return. The client lived in Nebraska and the tax preparer they paid was also in Nebraska. Upon a review of the returns, Cerity Partners found that the client did not deduct the interest paid on the Kiewit stock loan and paid tax to Nebraska on the capital gain on the sale of I stock. Nebraska has an exemption that requires filing for. The client was able to amend the returns and receive a large refund.
- Cerity Partners worked with a stockholder throughout 2019 on tax planning to account for the sale of I stock, and a condo, and the Kiewit dividend they'd receive. Cerity Partners prepared an estimate tax payment voucher to account for all of these items. When Cerity Partners completed the 2019 return, the client had a balance of less than \$200 due. By planning in advance, the client was able to avoid a large tax bill at the end of the year.
- Cerity Partners advisors has helped many Kiewit stockholders take advantage of the new program enabling stockholders to purchase Kiewit stock within a Roth IRA.

Charitable Tax Planning

- When tax law was changed to increase the standard deduction for many people, the timing of charitable gifts became even more important. A Cerity Partners advisor created a donor-advised fund(DAF) at Schwab for a Kiewit stockholder. This client used I stock to fund several years of charitable giving in one year, allowing them to receive a tax deduction for their charitable giving. With DAFs, the tax deduction is in the year of funding.

In this instance, the use of the I stock also allowed the client to avoid paying capital gains tax on the amount of I stock contributed to the DAF. This resulted in a double win – no capital gains and a full income tax deduction.

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Insurance Planning

- Cerity Partners has reviewed several stockholders' "life insurance" policies. In many instances, the advisor was able to restructure poor performing expensive policies for cost efficient term policies to match the client's actual needs.

Estate Planning

- Cerity Partners has helped several stockholders without estate documents. Even for those who believe their situation is not complicated and don't want the expense of a will or trust, Cerity Partners has helped Kiewit clients get powers of attorney in place. This ensures health care decisions can be made, last wishes are legally known, and financial matters can continue. These documents are important for stockholders to execute for themselves and critical for parents to ensure that their adult children have in place to avoid a situation where a parent cannot medically advocate for their child.
- Cerity Partners helped a stockholder with properties in multiple states secure a trust, will and ancillary documents at a nominal cost through trusted attorneys.

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