

## Gifts from the heart

Of all the gifts we may give or receive in a lifetime, the ones that are often remembered the most didn't come in a large box, wrapped with brightly colored paper, ribbons and bows. Special gifts often reflect shared experiences, memories and connections among family and friends.

Each year, the USAFA Endowment receives contributions from people who choose to give as a way to honor those connections. Such gifts are made to memorialize those who have passed away or to pay tribute to those still living. These gifts might:

- ▶ Commemorate a special occasion, like a birthday or anniversary
- ▶ Recognize the importance of the United States Air Force Academy to the person
- ▶ Cement a legacy of values passed from one generation to another
- ▶ Celebrate a shared commitment to the United States Air Force Academy.

Most important, the gift represents the special connection that exists between the person making it and the person being recognized by it.

We are honored to serve as the "box" for holding such treasured memories. For more information about how to pay tribute to or memorialize a loved one, please contact:

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THE UNITED STATES AIR FORCE ACADEMY  
**ENDOWMENT**

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Return the enclosed card or visit [legacy.usafa.org/publications-form](http://legacy.usafa.org/publications-form) to request a FREE estate planning guide and receive more information about estate planning and supporting the Air Force Academy through a legacy gift.



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THE UNITED STATES AIR FORCE ACADEMY  
**ENDOWMENT**

A FINANCIAL AND CHARITABLE PLANNING GUIDE FROM THE UNITED STATES AIR FORCE ACADEMY ENDOWMENT

## Hill lives Service Before Self

**When it comes to serving the Academy and its graduates, Roger Hill, Class of 1970, has a ready answer: "Roger that."**

Throughout his Air Force and civilian aviation careers, Hill has found time to help others, whether a fellow cadet, airman, classmate or senior citizen.

Hill served in the Air Force for nine years and became a C-130 pilot. After earning a master's degree from George Washington University, he headed to commercial carriers. He served first with Hughes AirWest, then People Express, and eventually with Continental Airlines for most of his career. Along the way, he became a real estate broker, a profession he continues to this day.

"My aviation career was fulfilling, but it was just one component of a life that I have dedicated to helping others," Hill says. "I find it very satisfying to be of help in my community and the broader community of Zoomies."

In addition to helping graduates find their Colorado homes, he leads a team of 1970 grads who

honor their fallen classmates. On days when a Class of '70 burial occurs at the USAFA cemetery, they place a class pennant on all of the '70 gravesites. Hill also serves on a nonprofit board dedicated to helping senior citizens in Douglas County, north of Colorado Springs.

When Hill and his wife, Sharon, decided to include the USAFA Endowment as a beneficiary of an estate bequest, they received recognition as a Polaris Society member. "We feel good about helping the very place that enabled me to have an outstanding life," he says.

Living close to the Academy allows frequent visits; the Hills have been Falcon football season ticket holders for 30 years. He also regularly attends the annual National Character and Leadership Symposium and represents his class on the AOG Class Advisory Senate.



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For more information on how you can arrange for a future legacy gift to help the Academy and qualify for Polaris Society membership, contact Dale Zschoche at 719-238-7510 or [dale.zschoche@usafaendowment.org](mailto:dale.zschoche@usafaendowment.org).



“Through careful planning, family members can enhance the quality of life of a disabled loved one without disqualifying the individual from government benefits.”

## Enhancing the life of a disabled loved one

Sondra, a widow in her late 70s, had one surviving child – a son Andrew, age 57 – who was disabled. Andrew lived in a residential community with other disabled individuals. When Sondra met with her estate planning attorney, she clearly expressed her one objective – the assets in her estate were to be used to enhance Andrew’s quality of life without jeopardizing his Medicaid and other public benefits.

Through careful planning, family members like Sondra can make assets available to enhance the quality of life of a disabled loved one without disqualifying the individual from essential need-based government benefits.

Need-based government programs such as Supplemental Security Income (SSI) provide income to qualifying disabled individuals based on allowable resource or income limits. By qualifying for a need-based program, a disabled individual may also receive benefits from Medicaid, crucial to medical care that most disabled individuals could not afford. Well-intentioned family members who wish to benefit a disabled loved one financially must be vigilant to avoid disqualifying their loved one from government benefits.

A third party special needs trust is ideally suited to accomplish this objective, as the disabled beneficiary is not considered the owner of the trust assets. Funds contributed to a third party special

needs trust can be used to pay for activities of a disabled beneficiary not covered by government assistance. Examples of these activities are entertainment, trips and vacations, transportation, computer equipment and companion services.

A third party special needs trust has another benefit. Since the disabled individual is not considered as having any ownership interest in the trust assets, when the disabled individual passes away, there is no requirement for assets remaining in the special needs trust to reimburse the government for the cost of Medicaid benefits provided to the individual. Any remaining trust assets can pass to family members or others, including charities, designated by the person establishing the trust.

A special needs trust can be established during one’s lifetime or through an estate. A concern of families establishing such a trust – often parents or grandparents – is that the special needs trust

has sufficient funding to last the lifetime of the disabled loved one. For the philanthropically inclined, establishing a separate charitable trust and designating the special needs trust to receive periodic payments from the charitable trust accomplishes all objectives. When the disabled beneficiary passes away, the charitable trust ends and any remaining funds in the trust will be distributed to those charities named by the trust donor. Any remaining funds in the third party special needs trust will be distributed per the instructions of the special needs trust donor.

These financial and estate planning techniques require professionals skilled in tax and estate planning, disability law and trust law. State laws vary, so the attorney must also be knowledgeable about state laws pertaining to special needs trusts. We can assist in locating those professionals who can explore with you these financial opportunities that can make a meaningful difference in the quality of life for a disabled loved one.



Sometimes the old ways still work best

There is a tendency to think that new ways of doing things are better than the old ways. However, sometimes the old ways still work best.

The recent tax law that became effective in January 2018 is an excellent example. While this new tax law might change the way some supporters choose to make gifts to the United States Air Force Academy Endowment, it did not change the ways supporters can make those gifts from their estates and retirement plans and still potentially save taxes.

Naming the USAFA Endowment to receive a gift from your will or revocable living trust is still a meaningful way to support the Air Force Academy. People like making gifts from their estates because they retain control of the assets should they be needed in retirement years, or should they wish to revoke the gift for any reason. Also, there is great flexibility for how you can make a gift as part of your estate plan.

For example, you can name the Endowment or other charity to receive a specific amount or a specific asset such as a piece of real estate or work of art. Or you can state that the organization will only receive the gift if a family member does not survive you. Another possibility is to leave all or a portion of your estate to a nonprofit after all other gifts and estate administration expenses have been paid. The Endowment can be added to your existing estate plan by a simple amendment to your will

or trust. And while the estate tax will affect fewer estates, given the increased exemption, a charitable bequest will continue to provide a deduction for those who can use it.

The new tax law made no change to the tax benefits of naming charities as beneficiaries of retirement accounts. Gifts from retirement plans can still save your heirs from paying burdensome taxes. Assets in retirement plans such as an IRA, 401(k), or 403(b) in most cases have never been taxed before being contributed to the plan. If you leave those assets to loved ones, they will be obligated to pay income taxes when they withdraw the assets from the retirement accounts. If you leave those assets to a nonprofit organization, such as the Endowment, it is tax-exempt, and the amount it receives can be used to further its mission without any taxes being due.

Estate planners will frequently advise clients to do their charitable giving by naming charities as beneficiaries of retirement accounts, while naming loved ones to receive assets from the will or trust, on which no income taxes are due. There are no fees and no documents to have prepared professionally. Just fill out a Designation of Beneficiary form provided by your retirement account custodian.

To learn why the old way could be the best way for you to make a gift to the Air Force Academy through the Endowment from your estate or retirement account, contact Dale Zschoche, director of gift planning, at 719-238-7510 or [dale.zschoche@usafaendowment.org](mailto:dale.zschoche@usafaendowment.org).