



FLIGHT PLAN

THE PLANNED GIVING NEWSLETTER OF EMBRY-RIDDLE

George Mendonca Saves on Taxes while Funding Student Dreams



Since its formation in 2007, the George Mendonca Endowed Scholarship Fund has been awarded to more than 12 students from the Prescott Campus who are pursuing a college degree in addition to their flight training.

“I wanted to be able to help other people who may not have the chance to go to college or become a pilot,” said Mendonca. “And I felt like it was important for them to get the backup of having a degree because I never got that in my life.”

When setting up his scholarship fund, Mendonca took advantage of a special provision that allowed him to make a donation out of a traditional IRA account, which he was able to

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ARTICLES

The key to certainty in an uncertain economy

How to save on taxes as tax rates rise

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Growing up in the small town of Placerville, California, George Mendonca never imagined he would be able to help others, let alone himself, achieve their dreams.

But with a lot of hard work and determination, Mendonca surprised even himself with what he could accomplish—both for himself and others.

After obtaining his mechanics license at a two-year college, Mendonca was hired by Pan American World Airways as an aircraft mechanic. A short two years later he joined the U.S. Air

Force Aviation Cadet Pilot Training Program. In May of 1958 he earned his wings: accomplishing his childhood dream of becoming a pilot, something he never expected to happen.

Flash-forward to 2013, Mendonca has not only achieved his dream, but he has also been able to use his personal and professional success to help others with similar dreams. For a number of years, Mendonca has been supporting students at Embry-Riddle’s Prescott Campus through an endowed scholarship fund he set up by rolling over resources from his IRA account.



How to save on taxes as tax rates rise



You have saved all your life. You have invested and watched your wealth grow for years, and now high taxes threaten to take away all of your hard work.

Don't let the dark shadow of the coming tax increases ruin your planning. Instead, do what you have always done. Educate yourself, think reasonably and get advice from those who can help you. As you think about how to protect your financial future, there is one tax-

fighting tool you should know about.

A charitable remainder trust can help you beat higher taxes while giving you some additional benefits. The charitable remainder trust is a special type of trust with special tax fighting powers. When you fund it with an appreciated asset like stock or real property, the sale is capital gains tax-free. You can then reinvest those assets into the trust in a way that maximizes income for you. The trust can pay you (and/or others) for

life at a fixed or variable rate. You get to decide which plan is best for you.

The charitable remainder trust also provides you with income tax benefits, and as with other charitable vehicles, the trust assets will eventually go to Embry-Riddle. What once helped you will one day help others. Ask us for an illustration and then talk with your attorney about the benefits you can expect with your goals and investments.

Charitable Remainder Unitrust



STOCK OR CASH



UNITRUST



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DONOR

The Key to Certainty in an Uncertain Economy



Even in uncertain times, there are simple things we can do to make our lives better, especially when it comes to our financial future. If you are tired of rolling over your CDs for minimal returns, or if the fluctuations of the stock market concern you, there are ways to create stability and predictability you may not have considered. The key is to know your choices and understand that there are some options that remain appealing.

If you are tired of disappointing CD rates, one idea for you to consider is a charitable gift annuity. A gift annuity provides fixed payments to you for life – at attractive rates. You can also choose to fund one that pays a fixed income to you and Embry-Riddle for life. Keep in mind these are not commercial annuities and offer benefits that commercial products don't provide. For example, in addition to the fixed gift annuity payments, you will receive an income tax deduction this year for part of the

funding amount. You also have the peace of mind knowing what remains (after all the payments have been made) will benefit Embry-Riddle.

With its fixed payments and reliable source of income, the charitable gift annuity is a wonderful tool to help you plan your future. It becomes even more attractive when you think about the income and capital gains benefits as well as the satisfaction of knowing your gift will help Embry-Riddle.

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fund by rolling over resources, tax and penalty free, from his employer sponsored retirement plan. And Congress has reauthorized the IRA rollover for 2013, allowing others to do the same.

The tax provision is the major reason Mendonca decided to make the gift at this point in his life.

"I could form my scholarship without

paying taxes on that particular amount of money and that appealed to me," said Mendonca. "I'm not sure I would have gone through with it this early if it hadn't been for that fact, and its convenience motivated me more than anything else."

Mendonca hopes his gift will leave a lasting impression on the scholarship recipients and show them the value

of helping others who share your dreams.

"I'm hoping that whoever has an opportunity to use the scholarship sees that there are opportunities available to help other people in ways maybe they didn't think about," said Mendonca. "I also wish they realize that I'm in a position where I don't need to do this, but I want to."

Preserve *your cash and* *support* student dreams



We are fortunate that many people want to support Embry-Riddle's mission and we know you may share that passion.

With the uncertainties in the economy, many of our friends have said they want to support Embry-Riddle, but have had difficulty giving as they want to, or with the assets they planned to use.

We are grateful to all those who give to support us. If like others you want to give, but are not quite sure how, a charitable bequest may be just what you need to do. Include a gift to Embry-Riddle in your will or trust. This is a perfect way to hold on to assets, income or other property today while knowing it will go to

support student dreams tomorrow. With a bequest you keep everything, but don't have to hold back anything in your giving.

The possibilities are limitless. You can give a specific asset, such as stocks, property or a certain dollar amount. Or you might choose to give a percentage of your estate. You might also choose to give specific assets to friends and family and give the "remainder" to Embry-Riddle. You can use what you have the way you want. If you don't have a will, talk with your attorney to see what you can do. You might save on estate taxes, but you will definitely help give wings to students' dreams.

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