

President's Perspective

by Lee Lange



Chapter Membership

Thank you to everyone who has renewed your chapter membership for 2017. Your continued support assures us of having a healthy and active chapter that contributes to the success of MOAA National and gives back to the community. We still have 23 members who have not renewed as I write this. We will be in touch with them to encourage their staying with us.

As you've heard before, recruiting and retention are closely related in that we want to recruit new members and keep the ones we have. It's almost always easier to keep a member than recruit a new one. Our goal is to retain 100 percent of our members but recognize we will lose some.

Overall, our membership is up from last year at this time. We plan to use MOAA's updated potential members list coming out this month to reach out to prospects in our chapter catchment area. This

proved successful last year and should help again this year.

It's important to remember that chapter members are our best recruiters. This is because many former and retired officers who are not MOAA members don't show up on our recruiting lists. But our members find them just doing their daily business around town. I met several working out at our community center and more doing business in Phoenix. You can help by bringing these prospects to a chapter meeting and we'll make them feel welcome and motivated to join our group.

Don't Miss April Lunch

Join us April 15 at our annual scholarship awards luncheon. This year we will award \$2,000 scholarships to three outstanding students, a midshipman and two cadets from the Navy, Army and Air Force ROTC programs at ASU.

These scholarships will help them complete their education at ASU and earn a commission in their respective services. We'll hear from each of them, and I think you will be impressed. Don't forget to wear your uniform, if you can, or miniature medals on your jacket.

2017 Golf Tournament

Pale Dale is once again organizing the Arizona Chapter Spring Golf Tournament, set for Friday, April 21, at the Starfire Golf Course in Scottsdale. This is our premier scholarship fundraiser, so come out and support this wonderful event.

Pat and Patricia and several of Pat's family members, along with the Bogey Boys golf group, all make for a super day. Sign up to play golf or plan to join us for a great lunch and awards after golf. Don't miss your chance to sponsor a hole. We hope you can join us, and remember to thank Pat Dale, Patricia and the Dale family members for all they do every year. Find out more on page 3.

See you there!

Arizona Chapter Calendar

Board of Directors meets at 1030 hours the first Thursday of the month unless noted otherwise.

Location: National Guard Regional Training Institute, 5636 E. McDowell Rd. Show ID for entry. Members welcome.

Upcoming meetings:

- April 6
- May 4

Member Meetings/ Luncheons are held on the third Saturday of the month, Social Hour at 1100, Luncheon at 1200, at McCormick Ranch Golf Club unless noted otherwise.

Upcoming meetings:

- April 15
- May 20

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A Story of Survival

Navy Ensign Helps Save His Ship at Pearl Harbor

(Editor's Note: Pearl Harbor Survivor Jack Holder, who was originally scheduled to speak at our March luncheon, became ill prior to the meeting and was unable to attend. With the number of Pearl Harbor survivors dwindling, what are the odds that another could be substituted? Well, our member Dr. Paul Schnur had recently met a survivor of that infamous day, who agreed on short notice to be our speaker. His name is Archie Kelley, and his slice of U.S. military history follows.)

CAPT Archie Kelley, USN (Ret), had been commissioned an Ensign in the Navy for less than a year in December 1941 and was assigned "very desirable duty" on the Battleship West Virginia at Pearl Harbor, Hawaii.

On the evening of December 6, he played poker with friends and returned to the ship around midnight to be ready for his assignment as Officer of the Deck the next morning.

He was putting his uniform on to relieve his shipmate when the fire and rescue party called at 0750 to report a bomb blast on Ford Island. The Japanese attack had begun.

In his white uniform but with no shoes or hat, Archie ran to his post. He gave the command to man battle stations and set condition "Zed," which was an order to close the ship's watertight doors and hatches.

The order was carried out before seven torpedoes hit the West Virginia, and that action prevented the ship from rolling over, possibly saving 400 lives, he said.

Archie noted that the condition Zed order was not given on the Oklahoma, which did roll over from flooding caused by battle damage.

As the battle progressed, Archie went to the bottom station, which was flooding because its doors had not been closed. He and about 40 other sailors became trapped inside as the ship sank and rested on the bottom at a depth of 60 feet.

"I knew I was going to die, but I was very busy," he said. The trapped men found a hatch that led to topside, and they were able to escape. There they found that the captain had died in the attack and much of the crew, including the Executive Officer, had jumped over the side and swum to Ford Island.



Dr. Paul Schnur, left, and 98-year-old Archie Kelley, who recounted his experience as an officer on the Battleship West Virginia at Pearl Harbor on December 7, 1941.

That left Archie's boss in command, and he reversed the order to abandon ship. Archie stayed onboard to fight fires.

The attack ended after two hours. "We thought they'd come back," Archie said. "If they did it would have been horrendous. We weren't prepared for anything like that."

But the Japanese didn't return. Archie, still assigned to the West Virginia, was promoted from Assistant Navigator to Navigator, or as he noted, he was promoted to Navigator of a sunken ship.

He went on to serve on a Destroyer as a Gunnery Officer in six other combat actions, providing close-in fire support for U.S. Marines as they engaged in amphibious landings.

His post-war duty was in the Navy's nuclear program, working on development of the Nautilus and the Seawolf, the Navy's first two nuclear submarines.

During this time, one of the men who reported to Archie was a young Navy officer named Jimmy Carter, who later became the 39th president of the United States.

ARIZONA CHAPTER MOAA SPRING GOLF TOURNAMENT

The Arizona Chapter Golf Tournament is set for **Friday April 21**. This is one of a limited number of methods we use to raise funds for our Chapter Scholarship Fund, which helps ASU's Navy, Army and Air Force ROTC students who will soon be seniors. Come on out and enjoy helping us support these outstanding young men and women with their college expenses.

The tournament will be held at **Starfire Golf Club**, 11500 N. Hayden Rd., Scottsdale.

Check-in from 6:30 - 7:30 a.m. **Shotgun start at 8:00.**

The **tournament entry fee is \$79** and covers handouts, all prizes including a \$1,000 Hole-In-One, golf cart, pulled pork, chicken and sides buffet luncheon. 50% of the 50-50 drawing, 50% percent of the skins game collection, and 100 % of donations and hole sponsorship fees will go to the scholarship fund.

DRESS CODE: Collared shirts are required. Soft spikes on golf shoes. You may wear sneakers.

SPECIAL RULES: The format is division play USGA index, estimated handicap, and ladies division. Scoring will be based on individual net scores and a low ball team net score. Skill prizes will be awarded on **all holes** (closest to pin on par 3s, and longest putt made on par 4s and 5s). **Those not playing can join us for lunch for \$15.**

All fees must be received by Tournament Director Pat Dale (information below right) **no later than Friday, April 14**. Make checks out to AZ Chapter MOAA.

----- **CUT HERE AND MAIL WITH CHECK** -----

ARIZONA CHAPTER MOAA GOLF TOURNAMENT

HERE IS MY REGISTRATION SLIP AND ENTRY FEE.

Name: _____

Phone No: _____

Email Address: _____

(Please Print)

I would like to be partnered with _____

USGA Index: _____ or Estimated Handicap _____

Check enclosed for \$ _____ for _____ Players (\$79 each)

I'm not a golfer, but here is my donation toward the Scholarship Fund or to join you for lunch.

Name: _____

Phone No: _____

Email Address: _____

(Please Print)

For donations of \$25 or more, your name and/or organization will be posted on a Golf Hole Sponsor Sign for the tournament.

Check enclosed for sponsoring a hole \$ _____ (min. \$25)

and/or lunch \$ _____ (\$15 each lunch)

Send all checks for golf, sponsor and/or lunch to:

Pat Dale
12633 E. Kalil Dr.
Scottsdale, AZ 85259
Email: patrickdale1@cox.net
Phone: 480-661-5204
Make checks out to:

AZ Chapter MOAA



**ASU ROTC
Scholarship Award
Presentations
15 April 2017**

Please join us as we recognize an outstanding cadet from each of ASU's three ROTC programs and hear their plans for their professional and military careers.

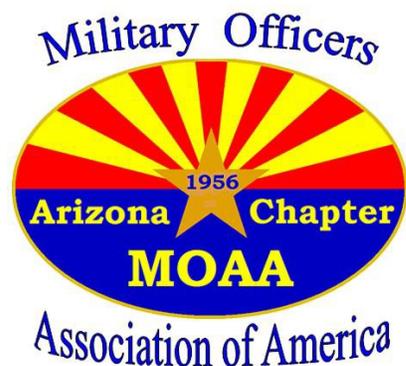


**Arizona Chapter MOAA's Monthly Luncheon
McCormick Ranch Golf Club
7505 E. McCormick Pkwy, Scottsdale**

\$22 per person for lunch, check to AZ Chapter MOAA or pay by credit card at the luncheon.

Please RSVP NLT Tuesday, April 11 to:

**Charlie Bitner
134 E. Northview Ave
Phoenix, AZ 85020
602-943-0028
or charles.bitner@gmail.com**





Personal Affairs

By Lee Lange
Personal Affairs Officer

IRS Tax Traps

With taxes due this month, here are three tax traps to avoid getting you in hot water with the IRS. This article is adapted from an MOAA piece by financial planner Curt Sheldon.

Trap No. 1: Sixty-Day IRA Rollovers

The Internal Revenue Code (IRC) says you can make one 60-day rollover from your IRA accounts in any 12-month period. This is when you withdraw funds from an IRA retirement account and redeposit them into another one within 60 days. Since a 2015 rule change, the first 60-day rollover is the only one allowed for your IRA accounts. Any other IRA rollovers occurring within a 12-month period are deemed as distributions and subject to income tax and, for those younger than 59 1/2-years-old, a 10 percent penalty.

Another thing to watch for regarding IRA rollovers: If you inherit a retirement account from someone other than your spouse, you cannot make a 60-day rollover. If you attempt one, the funds you take out of the inherited account will be designated as a distribution. You'll owe taxes on the distribution, but you won't owe penalties, as they don't apply to inherited IRAs.

You can avoid this issue completely if you perform what is called a "trustee-to-trustee" transfer, where you don't ever actually possess the funds. You can complete as many of these transfers as you like.

Trap No. 2: Income limits

Many officers are vulnerable to this trap the year they leave the service or the year after. The tax code contains many income limits on deductions and credits. Most of the limits are above the income of active duty military officers. However, that is not always true after retirement or transition, especially if

you start a second career with more income.

One that seems particularly problematic is the income limit on Roth IRA contributions. For 2017, the ability to contribute to a Roth IRA for those who file "married-filing-jointly" is phased out between \$186,000-\$196,000 of adjusted gross income (AGI). For those who file as individual or head-of-household, the phase-out range is \$118,000-\$133,000 AGI. If your AGI is above the top end of the range, you can't contribute anything to a Roth IRA.

If this happens to you, you must take action or be subject to a 6 percent excise tax on the ineligible contribution remaining in your Roth IRA. To rectify this problem, you must withdraw the ineligible contribution on or before the due date (including extensions) for filing your tax return. You also must withdraw any earnings on the ineligible contribution and pay taxes on the earnings received in the year the excess contribution was made.

Trap No. 3: Overstating your income

To the IRS, it is just as wrong to overstate your income as it is to understate it. Many military officers acquire rental real estate holdings as they progress through their careers. In the days when many officers did their own taxes, some may have neglected to calculate and deduct depreciation. This results in an overstatement of income.

The likelihood of getting audited - and, more important, penalized - for this decision is low. However, when you sell a house, you are required to report depreciation gains, also known as depreciation recapture. The kicker is you are required to pay taxes on the depreciation you took (or should have taken), assuming you sell the property for more than your adjusted basis.

Let me know if you would like me to cover a topic related to personal affairs you have questions about. If I don't have the answer, I'll find out.

Contact me at lflange48@gmail.com or (703-232-3609).



Legislative Update

by Lee Lange
Legislation Chairman

MOAA Storms the Hill

On April 5, some 150 chapter and council leaders along with MOAA staff and board members visit capitol Hill in Washington, D.C., for MOAA's annual Storming the Hill.

This signature event has been the highlight of MOAA's grassroots support of legislation efforts that depend on the support from MOAA's members and chapter system to generate support for top issues.

This year, Arizona Council of Chapters Vice President Pete Kloeber will head to Washington and visit the Arizona delegation.

2 Key Issues for Storming This Year

The first is ending sequestration, which comes back this year if nothing is done and sets spending cuts of \$100 billion over the next five years. It's a "meat axe" approach that cuts all DoD programs by 9 percent across the board. These kinds of cuts make no sense and destroy deliberate and sensible planning. Sequestration has already forced serious hits to readiness and force levels. Congress must do its job and get a budget deal done that ends sequestration.

The second is ending the SBP-DIC offset that costs 63,000 surviving spouses as much as \$15,000 per year. Congress knows it's wrong and authorized the Special Survivor Indemnity Allowance (SSIA) that has increased yearly and currently is \$310 per month. But the authority for SSIA runs out in 2018. Congress needs to extend this benefit or repeal the offset outright at a cost of \$10 billion. This is less likely, but extending the authority would be a step in the right direction.

What Can We Do?

Send your legislators MOAA-suggested messages using the link below to MOAA's Thunderclap Storming Page.

Send messages from you and your spouse. Being this close to Storming, e-mail is the best way to respond. Also join MOAA's Thunderclap by posting MOAA message to your Facebook or Twitter account.

See the link at:

<https://www.thunderclap.it/projects/54396-stand-with-our-military> for instructions.

State Legislative Update

Here are updates on two bills we have been following this legislative session and news about a late breaking effort by the financial industry to push through a new high-interest loan product.

SB 1443 - MFRF Tax Credit; Veterans' Donation Fund (renamed SB1403)

Would extend the Military Family Relief Fund from 2018 to 2025 and cap the Fund at its current amount by moving the associated \$1 million per year tax credit to the Veteran Donations Fund which, by statute, is to be used "for the benefit of the veterans (of all eras) within this state as grants".

Primary Sponsors: Sen. Gail Griffin, R-Dist. 14; Rep. Brenda Barton, R-Dist. 6

Major Actions: Passed Senate 29-1 on 28 February and transmitted to the House. 6 March, assigned to House Ways and Means Committee and House Rules Committee. No action. 23 March, Rep. Barton "Strike Everything" amendment adopted in House Land, Agriculture and Rural Affairs Committee, changing bill into Veterans' Donation Fund tax credit bill as described above. House floor vote pending.

SB 1444 - Tax Subtraction; Military Retirement (renamed SB1208)

Incrementally reduces Arizona income tax on military retirement pay beginning in tax year 2019 and fully deducting military retirement pay in 2022.

Primary Sponsor: Sen. Gail Griffin, R-Dist. 14

Major Actions: Passed Senate Finance Committee 15 February. No action taken in Senate Appropriation or Rules. Not voted in Senate. 6 March, Hearing set in House Military, Veterans and Regulatory Affairs (MVRA) Committee during which a "Strike Everything" amendment was to be offered changing the bill into military retirement tax exemption bill. Bill was held in committee by chairman. 23 March hearing in House Land, Agriculture and Rural Affairs Committee to do same thing but bill was again held. Future of bill in doubt this session.

Continued on Page 8...

Welcome Our New Member

Daniel J. Butler, COL USA (Ret)
and Wife Charlene of Litchfield Park

Please meet and greet our new member.

April Luncheon

WHEN: April 15, 2017
11:00 a.m., Meet & Greet Social Hour
11:45, Lunch

WHERE: McCormick Ranch Golf Club,
Scottsdale

COST: \$22 Per Person

DRESS: Military Uniform or Business Casual
with service medals

MENU: Roasted stuffed pork loin, whipped
potatoes with roasted pork jus, salad and
cherry pie.

PROGRAM: Presentation of scholarships to
outstanding recipients from the Army, Navy
and Air Force ROTC programs at ASU. See Jon
Shawl's note at right.

TAPS

We recently learned of the passing of the
spouse of one of our members:

Carolyn Marie Fredricks
Wife of Gary Fredricks
And loyal support of the Arizona Chapter

*Our heartfelt condolences are extended to
Gary and the Fredricks family.*

The Importance of Our Scholarships

By Jon Shawl, Scholarship Chairman

We have three scholarship selectees from each
ASU ROTC department. Needless to say, they
are excited and will be attending the April
luncheon and award ceremony in uniform. Two of
the selectees are young women.

The scholarship program is one of our chapter's
contributions to the future of the U.S. military.
Past and future donations to our Scholarship
Fund are appreciated and vital to the continuation
of this important program.

**Donations to Chapter
Scholarship Fund**

Dorothy Jones \$100
In Memory of her husband, Robert J. Jones
Lee and Janet Lange \$150
Marie Loos \$75
Ben Budzowski \$30
Michael Rogers \$30

CHAPTER FINANCIAL PARTICIPATION

If you would like to make a donation to one or more of the AZ Chapter Funds, include your check identified with the appropriate fund and mail to: **Charlie Bitner, 134 E. Northview Ave., Phoenix, AZ 85020, 602-943-0028, charles.bitner@gmail.com.**

General Fund: \$ _____

Scholarship Fund: \$ _____ [a 501(c)(3) charitable fund]

Name of Donor : _____ Identify me as a donor in the next newsletter. YES___ NO___

MEAL/RESERVATION FORM

Please reserve ___ meals for (name): _____

Enclosed is my check for \$ _____ (\$22.00/person) for the April 2017 luncheon

Make check payable to: **AZ Chapter MOAA**

Send check to: **Charlie Bitner, 134 E. Northview Ave., Phoenix, AZ 85020, 602-943-0028, charles.bitner@gmail.com**

Member reservations or call-ins WILL NOT be accepted after April 11.

Cancellations after April 11 will be charged and not refunded.

...Legislative Report, cont.

HB2496 – Consumer Access Line of Credit (CALC) Loans

Primary Sponsor: Sen. Debbie Lesko, R-Dist 21

Major Actions: New predatory lending bill passed by Senate Appropriations Committee 21 March. Offers loans up to \$2,500 with up to 164 per cent interest. Pending vote in Senate but so far sponsors can't find enough votes to pass.

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MOAA and its affiliate chapters and councils are non-partisan.

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