

Meeting With The Family For Elder Care Planning

Business managers would never chart a course of action for the future without gathering all of the necessary information, analyzing the pros and cons of different approaches, and meeting with the main people who have a stake in the outcome. Yet many families approach eldercare issues without taking these steps.

If an aging member of your family may soon need help at home or may move into an eldercare facility of some kind, it's essential for everyone to talk about what's ahead. Consider calling the appropriate relatives together for a family



meeting—and be prepared to answer some of these questions:

Can you meet? Frequently, inertia will take over or some family members won't see the need for a family discussion. It's difficult to find the time with our busy schedules and other commitments. What's more, many families today are dispersed around the country and beyond. Nevertheless, it's important to bring everyone together to work out a plan.

Why should you meet? Whether or not specific problems need to be addressed immediately, a meeting gives family members a chance to share information and air their concerns. One or more siblings may feel that too much of the caretaking is falling to them, while others may express their intention

to do more. Encourage family members to get such feelings out on the table. Keep in mind that there is no right or wrong approach. The needs of each family and the best solutions for everyone will vary.

Who should you invite? This depends on the size of your family, who takes an active family role, and other factors. The children of an elderly parent should be involved, and perhaps the grandchildren, too, if

they're old enough to be meaningful participants.

Depending on the situation, close family friends and professional advisers might also be helpful. There could be value to bringing in a third-

party caretaker, perhaps a nursing aide or someone else paid to help the parent, who could contribute insight to the discussion. Finally, consider whether or not to include the loved one whose future is being discussed.

What should you cover? The older family member's health care may be at the top of the agenda. You may decide to move the person to a nursing or assisted living facility or to upgrade accommodations at a current location. Another option is to keep the person at home and use live-in care. It's also important to determine whether the aging relative has a living will or other health care directives that express what kind of care he or she

Happy Birthday To...

Us! That's right. On October 1, we at Financial Decisions will celebrate our 25th birthday. We feel fortunate to have spent the last quarter-century helping our clients not just to survive, but to thrive in today's increasingly complex financial world.

When Linda started our company all those years ago, phone numbers were kept in a Rolodex, answering machines used tiny cassettes, and files were still stored in, well, file cabinets. The world had yet to see the internet, cell phones, flat-screens, Wi-Fi, GPS, etc. In fact, 30% of our current employees had yet to be born!

We feel blessed to have enjoyed a good measure of success. But we don't pride ourselves on our clients' percentages gained, or their millions of dollars earned, or the steady growth of our practice. Rather, we count life-goals achieved, legacies funded, charities helped, and of course graduations, weddings, and the arrival of new children and grandchildren as our true measures of accomplishment.

Things certainly have changed in the last 25 years, but our focus has never wavered: to help our clients mold the life they want to lead, to achieve their goals, and to prosper, both financially and emotionally.

We would like to thank all of you: our clients, colleagues, advisors, and friends for making it all possible.

We look forward to our next quarter-century with you!

Florence Dupont, Ken Gutwillig,
and Linda Schoenthaler

(Continued on page 4)

Remember The Lesson Of Rebalancing

Sometimes investors need to be reminded just how unpredictable equity markets can be. Any big, unforeseen event—such as the United Kingdom’s so-called “Brexit” vote to leave the European Union—can result in dramatic market swings. And because such fluctuations are as inevitable as they are unpredictable, it makes sense to be prepared for all possibilities.

The best way for most investors to deal with short-term volatility is to stick to a long-term plan, rather than panicking or making ill-considered market moves. Your plan will need a proper balance between stocks and bonds in your portfolio.

Historically, stocks have outperformed other kinds of investments and have provided a hedge against inflation, while bonds have provided steady income and more protection against market volatility.

Diversification and asset allocation—core principles for attempting to control investment risks—are used to create a portfolio that may have the breadth to reduce volatility when markets get turbulent. Your overall tolerance for risk can help determine how you allocate your

investments to stocks, bonds, and other assets. Diversification and asset allocation are designed to minimize inherent risks, although there are no absolute guarantees.



But as important as it is to choose a mix of investments that makes sense for you, you’ll also need to revisit your portfolio periodically to help restore the balance you’ve established. If stock prices rise, for example, that part of your portfolio may grow larger than you intended—and this could make you vulnerable if equity prices fall. “Rebalancing” helps you get back to the target percentages you started with.

Yet as simple as that may sound, rebalancing can seem counterintuitive in practice. It requires you to sell

investments that have been doing well and buy others that have slumped. Your natural inclination may be to keep riding a wave of success, and to stay away from parts of the market that haven’t performed well.

But rebalancing can help impose needed discipline for your plan. It can enable you to sell high and buy low and to maintain the broad balance that may cushion your holdings against volatility. Though it sometimes may result in a lower rate of return than you would have gotten if you’d let your winning positions continue to grow, that may be a small price to pay

for feeling more comfortable about your investments.

Rebalancing can also help you resist the impulse to try to “time” the market—attempting to jump in when prices are rising and to get out before they fall. Market timing is rarely a recipe for success and could lead to significant losses.

How often should you rebalance? Expert opinions vary, but you should probably review your portfolio with your advisor and consider rebalancing at least once a year. ●

A Common Error In Powers Of Attorney

In estate planning, overlooking small details can derail even the most well thought out plans. For instance, you may recognize the importance of establishing a power of attorney for an elderly relative, but if the document fails to address certain contingencies, you may be powerless to act when your help is needed most.

A power of attorney, governed by state law, is a legal document allowing one person to act on another’s behalf. It must be created by someone—the principal—who has the mental capacity to understand all of its ramifications. The person appointed to act for the principal is known as the

attorney-in-fact or the agent. Once the principal has signed the document, the attorney-in-fact can make decisions for him or her.

Powers under a power of attorney may be broad or limited. For example, a broad power of attorney often grants control over all of the principal’s assets. On the other hand, a limited power might restrict an agent’s activities to selling a home or other real estate.

The most common type of power of attorney, the durable power of attorney, remains in effect should the principal become incapacitated, whereas a non-durable power of

attorney is typically used for a specific purpose, such as temporarily managing a person’s financial affairs while that person is incapacitated.

While all of this may seem straightforward, if the power of attorney isn’t carefully drafted to accommodate changing conditions, a family’s intentions could be defeated. A common error is creating a document that fails to name one or more contingent attorneys-in-fact who can step in if the person named in the document is unable to fulfill the responsibilities of this position. That might happen if the original agent has died, is incapacitated or is otherwise

Dispel These 6 Common Myths About Medicare

Medicare is one of the most critical elements of health care for senior citizens in this country. It's also one of the most misunderstood. A number of myths about Medicare have proliferated, costing countless enrollees both time and money. Here are six myths you might be swayed by:

Myth #1: You must be retired to apply for Medicare.

Reality: You can sign up for Medicare at age 65 regardless of whether you're still working or are already retired. If you are still working, ask your employer if your existing plan requires you to enroll in Medicare at age 65. If they do require enrollment, or if you do not have employer coverage, you can be penalized for applying late for Medicare, so you should sign up as soon as you reach age 65.

Myth #2: You won't qualify for any Medicare assistance if you haven't worked long enough.

Reality: It's true that you must have at least 40 work credits to qualify for Medicare Part A (hospital insurance), but there's no such requirement for Part B (physician services, outpatient care, and medical equipment and supplies) or Part D (prescription drugs). You're eligible for these programs if you are at least age 65, are a U.S. citizen or have been a legal resident in the U.S. for the past five years,

and you submit a valid application. In addition, even if you haven't earned 40 credits, you still may qualify for Part A based on your spouse's work record, or you could choose to pay the premiums to get Part A coverage.

Myth #3: Medicare Part B costs the same no matter when you apply.

Reality: If you fail to sign up when you reach age 65 (or when employer

coverage ends), you will pay more for the Part B program when you do apply, and your coverage may be delayed. The extra cost comes in the form of surcharges on your premiums for all future years. If you're continuing non-Medicare health insurance past age 65 while still employed, or if you are covered under your spouse's health plan, you can avoid penalties for late Part B enrollment. Otherwise, you're required to enroll during an initial seven-month period that includes the three months before you turn 65, the month you reach that age, and the three months after that.

Myth #4: You don't need Medicare Part B because you have COBRA or retiree coverage.

Reality: Although Part B is optional, don't be fooled into thinking that it's useless when you have other coverage. In

some cases, coverage under your non-Medicare plan will leave you responsible for high out-of-pocket costs. Under COBRA, you're generally covered for a period of 18 months after retirement, although you usually have to pay the premiums (plus a 2% administrative fee). The deadline for enrolling in Part B following expiration of COBRA coverage is eight months

after you stop working. Again, if you fail to do so, you'll be hit with surcharges on your Part B coverage.

Myth #5: You don't need Part D coverage for

prescription drug costs because you don't take any medicines regularly.

Reality: This would be true only if you manage to go through the rest of your life without needing any prescriptions drugs. But that's unlikely, and it makes sense to safeguard yourself from exorbitant costs that easily could reach hundreds or thousands of dollars a month if you fall ill. Like other forms of insurance, Part D protects you against future events that may happen. If you wait to apply for Part D until it's an emergency, you could be assessed permanent penalties for applying late. Part D can also work in conjunction with drug coverage under other plans.

Myth #6: You can sign up for Medicare only during the annual "open enrollment" period.

Reality: This is a principal misconception about Medicare. The annual open enrollment period—from October 15 to December 7—is an opportunity for those already covered by Medicare to change their coverage. It doesn't apply to newcomers, whose time to enroll is based on their birthdays or the end of coverage through their employers or their spouses' employers. If you miss out, you're subject to permanent penalties and delayed coverage.

Don't be guided by what you think you know about Medicare. Get all the facts you need to make informed decisions. ●



unwilling or unable to act.

To see what can go wrong, consider this hypothetical situation:

John Greenbow, age 80, names his spouse Nina, age 75, as his attorney-in-fact, and their two children, Lester and Michelle, as contingent attorneys-in-fact. John creates a separate document naming himself as attorney-in-fact for Nina. Five years later, Nina shows signs of Alzheimer's disease, so John assumes her

financial affairs. But he suffers a stroke soon after and is incapacitated. While

Lester and Michelle have been designated as attorneys-in-fact for John, they aren't authorized to act on Nina's behalf.

This problem could have been easily avoided if John had incorporated language into Nina's power of attorney that enabled the children to act on her behalf as well. And that's the point—it's crucial to think ahead and plan for the worst imaginable scenario. If you've anticipated all possible scenarios, you

can rest easy knowing help will be there when it's needed. ●



Views On Retirement Communities

How do you feel about retirement communities? Such places, often reserved for those who are age 55, or older, have many supporters and detractors, and opinions may vary widely even from one spouse to another. In the end, this is a personal decision that you have to make for yourself or as a couple. Consider these key factors:

Common Advantages

- There's generally plenty to do in a retirement community. Depending on the location, you may be able to use your leisure time for golfing, tennis, swimming, gardening, theatre, clubs of all sorts, and numerous other activities.

- Security is another reason why many senior citizens are flocking to these developments. Many communities are gated and have a visible security presence. Plus, with so many neighbors around all the time—rather than being away at work—suspicious activities tend to be reported quickly.

- The homes are usually located close to a reputable medical facility, shopping centers, and other

conveniences. Some even have retail stores.

- A retirement community may offer peace and quiet, with no teenagers revving up their car engines or having all-night parties.

- Homes are built with retirees in mind. They generally provide easy access for disabled individuals and the elderly.

- You can meet and socialize with people in your age group.

Common Disadvantages

- You may have strong ties to your current community. Many people feel most comfortable staying in the home where they raised their kids and living close to long-standing friends and neighbors.

- If you have adult children or grandchildren living with you, you may not want to uproot them. In addition, they may not be allowed to live full time in an age-restricted community.

- Even if you don't have younger people living with you, you may enjoy being around people of diverse ages. The mix in your current neighborhood may suit you just fine.

- One frequent complaint of young retirees is that they don't want to live with "old" people. They see themselves as being young or at least acting as if they were. And some people view living in a retirement

community as a stigma to be avoided at all costs.

- The association fees for maintaining the community grounds—often including upscale clubhouses, golf courses, and other amenities—can be pricey. If you're not a golfer, or shun the swimming pool, the extra costs might not be worth it to you.

In any event, get all the information you need to make the best choice for your situation. We are happy to help. ●



Elder Care Planning

(Continued from page 1)

wants to receive. Finances will also be an important part of the equation. Establishing a durable power of attorney for a designated person to handle financial matters could be critical, and you might decide that one or more trusts could help protect family assets. Federal and state rules covering such documents are complex, so be sure to consult with professionals experienced in this area of the law.

How should you conduct the meeting? Just as for a business meeting, developing an agenda beforehand could help keep the discussion on track. One of you may want to take the lead in creating an

agenda and distributing it by email to everyone who will be there, then revising it to include other family members' concerns.

What should you do next?

Trying to maintain good communication with everyone is very important, and even in families that have not always been harmonious, this is a time when everyone needs to try to come together. Of course, conflicting viewpoints are likely to be expressed at the meeting, so you will all need to be prepared to compromise. Have

someone take detailed notes and circulate them to everyone, and then ask everyone to agree to honor the agreements you've reached.

You will all have to remain flexible in case the situation changes. Develop a "plan B" if, for example,

you choose a particular facility that doesn't work out or the elderly person's condition suddenly worsens. Finally, don't expect miracle solutions, but do

involve your financial and other advisers in this crucial effort to help this family member. ●

