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Retirement & Estate Planning

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Estate Planning – Special Concerns for Women

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Did you know that the life expectancy for women is 81.2 years; for men, it's 76.4 years, according to the Centers for Disease Control. That's a difference of 4.8 years, so women should be especially on top of estate planning for themselves and for their significant others. Another reason women need to take charge of estate planning is that statistics show that the oldest daughter is generally the person who takes care of her aging parents.

In light of these facts, wives and daughters need to become educated and pro-active on estate planning for their loved ones, as well as for themselves.

A first step for women would be to know their spouses' and parents' attorneys and financial advisors and to have these professionals for themselves. Get their names and contact information and set up a meeting while your parents and spouse are healthy so that you can help with these issues. If you or your parents or husband don't have an attorney or financial advisor, there are a variety of ways to find one. The most reliable way to find a respected attorney or financial advisor is through word-of-mouth referrals from friends, relatives, acquaintances and neighbors. They can share their experiences and have no financial stake in whomever you choose.

Another way to find a legal or financial professional is through the Internet. Using search engines is a good way to find an attorney. Make sure you include the location and the specialty that you're looking for. Online reviews are becoming increasingly valuable as more and more people post about their experiences. Look on Facebook or Google (which don't allow for paid reviews) for trusted information.

Also, you'll want to review the websites of the advisors you're considering to see what services they offer and if they have expertise in your area. Websites should be professional and understandable and outline their experience and expertise.

Once you've identified the professionals you're interested in working with, call them to set up a consultation. The best way to find out if you're hiring the right person is to meet with him or her. Some questions to ask include their experience with estate planning and their fee structure.

After deciding on whom you'd like to work with, you should sit down with your husband and/or parents to determine their wishes in terms of health and end of life. Questions to ask include:

Do you have a power of attorney and a medical directive? Power of attorney is a legal document containing an authorization for one to act as the agent of the principal. Powers of attorney can be for financial issues, health care issues or both. A medical directive, also known as a living will, is a legal document which outlines health care wishes should your spouse or parent not be able to make them known.

Do you have a Last Will and Testament? If they don't have a legally enforceable, written document, the state will decide who gets their money and property. Your spouse and parents can avoid issues for their loved ones by planning now, saving their family time and heart-ache after their death. Failing to even establish a will can push an estate into intestate succession, meaning the courts will decide what family members will get and how much. Also, parents of minor children should be sure to name persons with whom you would like your children to reside should something happen to both of you and to have a conversation with that person(s) before naming them in your Will. Courts will consider this strongly if a decision has to be made.

Make sure you know where the Will is kept.

Is there anything else I should know? Ask about detailed desires so you know your loved ones' preferences -- burial or cremation, which funeral home and cemetery, and what to do with ashes, for example. Finally, it is important to review life insurance needs and policy designations.

While these are conversations that are difficult, you will save yourself and your loved ones time, money and grief by addressing estate and financial planning before your loved ones become ill or pass away.

The Goal-Setting Guide to Getting the Retirement You Want

What do you want your life to look like when work is out of the way? Here's how to plan for the life you want and how to ensure you have the means to live it

BY BARRY WALDMAN
CTW FEATURES

There is a scene in Lewis Carroll's "Alice in Wonderland" that applies to retirement planning. It begins with Alice, arriving in Wonderland, seeking directions from the Cheshire Cat.

"Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where–" said Alice.

"Then it doesn't matter which way you go," said the Cat.

"— so long as I get SOMEWHERE," Alice added as an explanation.

"Oh, you're sure to do that," said the Cat, "if you only walk long enough."

If you were to walk through the door of almost any financial planning professional, the first thing they would do is begin asking questions. And one of the first would be, what are your goals in retirement? In other words, where are you trying to "get to."

Do you want to move to the beach and enjoy your mornings sipping coffee and watching the sun rise over the water? Do you want to play golf every day and spend time with the grandkids? Or maybe you're looking to travel the world.

Your goals will determine your retirement plan. The reverse is true too: how you plan for retirement goes a long way towards determining what goals are realistic. Your dream to build an oceanfront estate in Bora Bora and jet to the States for Thanksgiving and Christmas might require some downsizing if you haven't maxed out your 401k.

Only once you've determined where you're attempting to go, can you determine what road will get you there. Experts say that continuing your current lifestyle will require roughly 80 percent of your current income. That is a good rule of thumb, says Bob Liggero, owner of Financial Prescriptions in Jacksonville, FL, but you may not be a thumb.

"When people first retire they're in the go-go years. When they're 70-75 they're in the slow-go years. And then after 80 they're in the no-go years," he said. "If you start off needing 80 percent you may end up at 50 percent."

Liggero advises his clients to consider that Medicare will not pay for all health needs, and doesn't cover long term care at all. The average retired person will spend about $200,000 on health care during their years of retirement, or roughly $10,000-a-year. That, the crippling cost of long term care, and the likelihood that taxes will have to rise as the national debt balloons, have to be accounted for.

Like most financial planners, Liggero employs a worksheet that helps clients evaluate what is most important to them. Based on the priorities clients identify, and the assets they have, he can advise them how many of their goals are realistic. He might advise them to work longer, save more or trim their expectations if their savings and desires don't match.

For younger people, retirement goals may be vague. Palmer Stokes, a development manager for New York Life Insurance Company in Charleston, SC., says most people under about 45 are not saving for specific goals, but for an idea – of financial security and freedom in retirement. It's critical for people in that situation to ignore current conditions and just keep saving.

"The Recession turned 401Ks into 201Ks," he quipped. But for those who stuck with a savings plan, their portfolios have bounced back, and then some.

Generally speaking, if you're years away from retirement, you want to be heavily invested in the stock market and rooting for stocks values to fall, says Liggero, so that you're buying low. As you get closer, you switch from offense to defense, striking more of a balance with bonds and cash, so you're not redeeming devalued assets. His analogy: "Don't fumble the football in the end zone."

Financial planners all have stories of clients whose dreams outpaced their means. Stokes had one 32-year-old client with a young family who was planning to open his own business and retire at 50. He had no savings and would have to invest heavily in equipment while enduring a haircut in his income for a couple of years. Stokes had to deliver the bad news that the client's goals weren't realistic. "That was not a very comfortable conversation," he remembers.

But the client listened, and drew up a budget at Stokes's suggestion. It made clear the need to push back his projected retirement date and save some cash before starting.

There are dozens of considerations in retirement planning; e.g., the state of Social Security, tax rates, income streams, investment vehicles and more. But financial planners agree on the basics: start early, save continually and build aggressively when you're young, then determine your goals, adjust your tactics and plan for the unknown as retirement approaches.

Above all, says Liggero, get to it. "If you fail to plan, you've planned to fail."

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Choose An Estate Attorney

Organizing your estate can be overwhelming without the help of an expert. With the assistance of an estate planning attorney, you can discuss your vision for your assets before death. Don't risk creating a plan that doesn't specify your decisions to the exact details.

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When searching for a specialized attorney, it's important to chat with a few different experts in your area. Make sure you feel comfortable in their office as the discussions of finances and final wishes can be intimate. Once you find several attorneys to interview for the role, here are some questions you should ask before deciding.

Is Estate Planning Their Main Focus?

Many general attorneys will advertise that estate planning is a part of their practice. They can be a great help when creating legal documents like a will, health care directives and power of attorney. However, if your financial situation is more complicated, a dedicated estate planning lawyer will have better knowledge of the ever-changing laws and how to protect your legacy.

You should also know how long they have been in practice. Someone who has extensive experience in the industry has likely discovered flaws in previous cases and has learned how to correct them. Ensuring your final wishes are in good hands is great peace of mind for both you and your loved ones.

Do They Regularly Update Plans?

To stay on top of your estate, find an attorney who offers an updating and maintenance program. The service may cost more, but they will contact you throughout the year and discuss new techniques, life-changing events which may impact your plans and alterations to laws.

Working with a lawyer who stays in contact with you about your estate plan ensures your documents will be up to date when it's needed.

How do They Charge?

Estate planning is necessary to prepare your family before your death. Ask about the fees the attorney charges. During the interview, find out if he charges a fixed rate or hourly. You don't want to be surprised with unexpected fees.

Talk With Your Financial Advisor

Thinking of retiring? Here's what you should be thinking about and when

BY ROBIN GIBSON
CTW FEATURES

Ah, the Golden Years — in decades past, this meant reaching a certain age and retiring from a job you'd held most, if not all, of your adult life. A gold watch or plaque marked the occasion often with a party to punctuate it. Retirement plans were set in stone and bore the terms of pensions and benefit plans supplemented in part or in whole by employers, themselves. However, it's safe to say, looking back, the Golden Age of Golden Years as previous generations knew it is over. Long gone are restful nights of sleep whereby you knew that loyalty to your company would be rewarded with security in your twilight years. Replacing it is a new era of self-reliance with almost no security beyond the discipline to save and seek sound advice. With this in mind, we've reached out to experts for tips on what to do and when in order to fulfill and live out the concept of retirement. With proper planning, you can.

In order to make your Golden Years possible, the key is start thinking early. Here are the most important questions to ask your Financial Planner and when:

20 years out

By now, if you work for a company, you should have explored the existence of a retirement vehicle such as a 401(k) plan. If you are employed and have access to one, now is the time to contribute up to the maximum of any employer contribution. If you are not an employee but, rather, self-employed or participating in the gig economy, explore IRA options.

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GOLDEN technologies

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15 years out

How much does it cost you to live? With a little over a decade left, you should now have a good idea of what it takes to sustain your lifestyle. You should also have a pretty good handle on what your debt load is and what your expenses will be down the road. For example, if you have a mortgage, how many years are left before it is paid off? Will you remain at home to age-in-place or retire to a community? These are all questions that you should begin defining at this point.

10 years out

Are you healthy? What types of medical expenses do you currently have or do you anticipate having down the road? Figuring out how to afford and sustain healthcare is likely to be one of the biggest hurdles to overcome as a senior. Will you have access to private plans to supplement Medicare? What will the premiums be and how much will recurring medications cost? You can't expect to enjoy retirement if you are not healthy. With ten years left, identifying these expenses now will serve you well in the end.

5 years out

What will your tax implications likely be when you retire? Start investigating now so that you are well prepared to face whatever they may be. Keep in mind, that some, in fact, many, underestimate their tax obligations from either failing to take into account capital gains from the sale of primary residences, for example, or not recognizing the proper tax bracket. Consider all sources of income and the decisions to come in order to determine exactly what your tax liability will be.

1 year out

This close to retirement, healthcare is top of mind again because now is when you need to be signing up for Medicare. Eligibility begins when you turn 65 years old and there is a six-month window — three months before, and three months after — your birthday where you can sign up penalty-free. Because you explored your healthcare expenses almost a decade ago, you're prepared and planned for the expense of premiums.

6 months out

You are so close you can see the light at the end of the tunnel. But exactly how bright that will be depends on how diligent you have been in the years leading up to this. With retirement a short six months away, a look at your overall portfolio is prudent. Where do you stand? You should also, if you haven't already, check into Social Security benefits.

1 month out

It's the fourth quarter with only a few seconds left in the game. Only a Hail Mary pass will save you if you have neglected your responsibilities in the years leading up to the finale. But, assuming you didn't, you can rest easy knowing you've done your due diligence. Last minute details at this stage include reviewing estate documents and beneficiaries on all assets, and establishing an emergency cash fund for unexpected expenses that may arise.

CTW FEATURES

How Divorce Affects Social Security and Retirement Accounts

Is divorce looming for you? Worried about splitting retirement savings or whether your ex can claim Social Security benefits on your account? Read on.

PHOTO COURTESY OF PEXELS

Robert Powell
TheStreet

Divorce and remarriage can have a big, and complicated, effect on your Social Security benefits.

So when "'til death do us part" doesn't work out as planned, people who are about to get divorced, especially women, might need a crash course on all things related to their retirement accounts and Social Security.

For starters, consider this: about four in 10 marriages eventually end in divorce and about a quarter of Americans age 65 and older are widowed. Despite those statistics, two-thirds of married individuals don't have a financial plan in place in the event of a divorce or becoming widowed, according to TD Ameritrade's Financial Challenges of Divorce & Widowhood survey of 2,000 adults ages 37 and older.

What's more, the TD Ameritrade survey found that seven in 10 men (72%) and six in 10 women (62%) are confident in their abilities to manage their own financial situation in the event of a divorce or a spouse passing away.

"Advance planning could provide a much-needed boost in financial security for those who unexpectedly end up alone at any phase of their lives," David Lynch, managing director and head of branches for TD Ameritrade, said in a release. "My professional guidance is for married individuals to ask themselves 'if I got divorced or lost my spouse, would I be prepared financially?'"

So how can you prepare financially?

Stash Some Cash

Before having the divorce conversation, Luana Mobley Corral, founder of Crossroads Consulting of South Florida, recommends stashing away some cash -- that will of course be disclosed in the divorce proceedings -- because divorce is a cash-hungry process.

"There will be attorney fees, therapist fees, fees for the financial advisor, or forensics, first, last and security deposit, new furniture, pots and pans, and the like," Corral said.

It is also good, she said, to repair the car, put on new tires, have needed dental work done, collect a few career wardrobe pieces all before the divorce talk. "And don't leave home without the paperwork," Corral said. "Complete an inventory of all the family assets and liabilities, get copies of statements and titles of everything you own and owe, as well as paystubs, and three years of tax returns."

Before the divorce talk, Corral also recommends that you learn as much about divorce as possible.

Women might consider attending a workshop, such as the Second Saturday Divorce Workshop.

The Mechanics of Money and Divorce

For women who are divorcing, there is much to consider regarding retirement accounts, said Bonnie Ashby Sewell, the founder of American Capital Planning and author of Love-Jacked! Divorce Your Spouse, Not Your Dollars. "We must look at the mechanics," she said "That includes the steps to ensure a smooth division and transfer post-divorce. Then there are the financial considerations for why a woman may prefer one account over another."

According to Sewell, there are three basic types of accounts to consider: Individual retirement arrangements (IRAs); 401(k) and similar employer-sponsored retirement plans including 403(b) and 457 plans; and traditional defined-benefit pension plans.

In some cases, a spouse might have to consider a fourth type of account, such as a deferred compensation plan. Those plans, typically held by high-income earners, can be a good source of retirement income, but the key is tax planning and understanding the rules of the deferred compensation plan.

"In general, we want the most efficient division available in any particular case," Sewell said.

Dividing IRAs in a Divorce

For example, if there are three IRAs and the husband owns two of them and the wife owns the third IRA, you would add up the dollar value of all three the accounts, divide by two and simply split one of the IRAs.

For example, let's say the husband has $100,000 in one IRA and $50,000 in another and the wife has $75,000 in her IRA. You would add the dollar value of all three accounts and divide that by two. ($225,000 / 2 = $112,500). You would then split either the husband's first or second IRA such that his wife would get $37,500 ($112,500 - 75,000 = 37,500) put into her IRA.

Of note, Sewell said, IRAs can be split by divorce decree; these accounts don't require a qualified domestic relations order (QDRO) to divide. A QDRO, according to the IRS, is a judgment, decree or order for a retirement plan to pay child support, alimony or marital property rights to a spouse, former spouse, child or other dependent of a participant. IRAs, Sewell noted, are easily split and both parties can invest as they wish after division without fear of capital gains because these are tax-deferred accounts.

Qualified Plans Require a QDRO

By contrast, a domestic relations order, according to the Labor Department, is a judgment, decree, or order (including the approval of a property settlement) that is made pursuant to state domestic relations law (including community property law) and that relates to the provision of child support, alimony payments, or marital property rights for the benefit of a spouse, former spouse, child, or other dependent of a participant. For more information, read IRS Publication 504, Divorced or Separated Individuals.

Sewell noted that any "qualified" plan governed by ERISA rules, such as a 401(k), must have a QDRO to divide it. "Qualified" because it's an ERISA plan; "domestic relations" because this is a divorce division; and "order" because that is what's needed to force the division, said Sewell. "The marital share is usually the beginning balance at the start of the marriage up to the date of separation," she noted.

With 401(k) plans, you would follow same procedure -- noting of course the need for a QDRO -- you did for splitting IRAs.

Qualified employer-sponsored retirement plans such as a 401(k) have a special feature for divorcees. "The parties can pull cash from the account to the other party as an alternate payee at the time of transfer that is part of the divorce division," Sewell said. "From there they must include the amount not rolled over into another plan as income that year. However, they do avoid the 10% early withdrawal penalty."

This, Sewell said, can be an essential tool in paying out home equity, paying off debt, or simply easing cash flow during this tough time.

Traditional defined-benefit pensions also require a QDRO to divide. "There is a fancy term here, 'coverture fraction' which determines the marital share to be split," Sewell said. According to Duhaime's Law Dictionary, the coverture formula is a method of proportionate division of a spouse's pension benefits as accrued during the period of marriage.

For her part, Corral suggests learning how qualified plans can be divided before reaching your agreement. "Plan rules rule and the plan won't do what the plan does not allow, even if you have agreed to it," she said.

Corral also recommends getting your QDROs signed by the judge at the final hearing along with the final judgment.

When it comes to dividing a pension, however, Sewell noted that these benefits "are valuable because the benefit will come regardless of market returns." There is, however, risk if the pensioner dies and there is no survivor benefit. Her advice: Insure the survivor benefit using term life insurance or directly through the pension program if it is offered.

Sewell also noted that pensions can be viewed as both an asset (there's a dollar value assigned to the present value of the benefit, of the stream of income) and as income to the recipient.

As for splitting assets held in taxable accounts, earmarked for retirement or not, Corral suggests learning in advance the tax consequences of the assets you accept in the equitable distribution. Also learn how or if your annuity contracts can be divided.

Social Security and Divorce

A person will be eligible for an ex-spouse benefit at age 62 if the marriage lasted 10 or more years and she or he is single when they apply for it, according to Karen Mathias, an attorney with Lange Accounting Group.

For example, the ex-husband, she noted, must be at least 62 years old and doesn't have to have applied for his benefits if the divorce occurred two or more years before the wife applied.

According to Mathias, the amount of the ex-spouse benefit is the same as the spouse benefit: 50% of the ex-husband's primary insurance amount (the amount he would get if he collected at full retirement age), if she begins collecting at her full retirement age. If she collects between 62 and full retirement age, the percentage will be reduced (ranges from 35% at 62 to 45.8% at 65).

Also of note, Mathias said the ex-spouse would be eligible for survivor benefits.

Mathias also noted that future Social Security benefits are not subject to division under community property settlements, equitable distribution settlements or other divisions of property.

Corral noted that if you are married close to 10 years, consider delaying the final hearing until after your 10th anniversary to preserve the divorced spouse Social Security benefit.

One other warning. "Should you ever remarry, and you were intending to make use of that one-half benefit, you lose it," said Sewell. "So, you'll want to consider getting the lifetime value of that benefit protected through a prenuptial agreement. Your subsequent marriage must last 10 years to have the next spousal benefit available to you."

Keep in mind the loss of survivor benefits if considering remarriage before age 60, said Mathias.

In Sewell's practice, when working with couples going through a divorce, she asks to see all four

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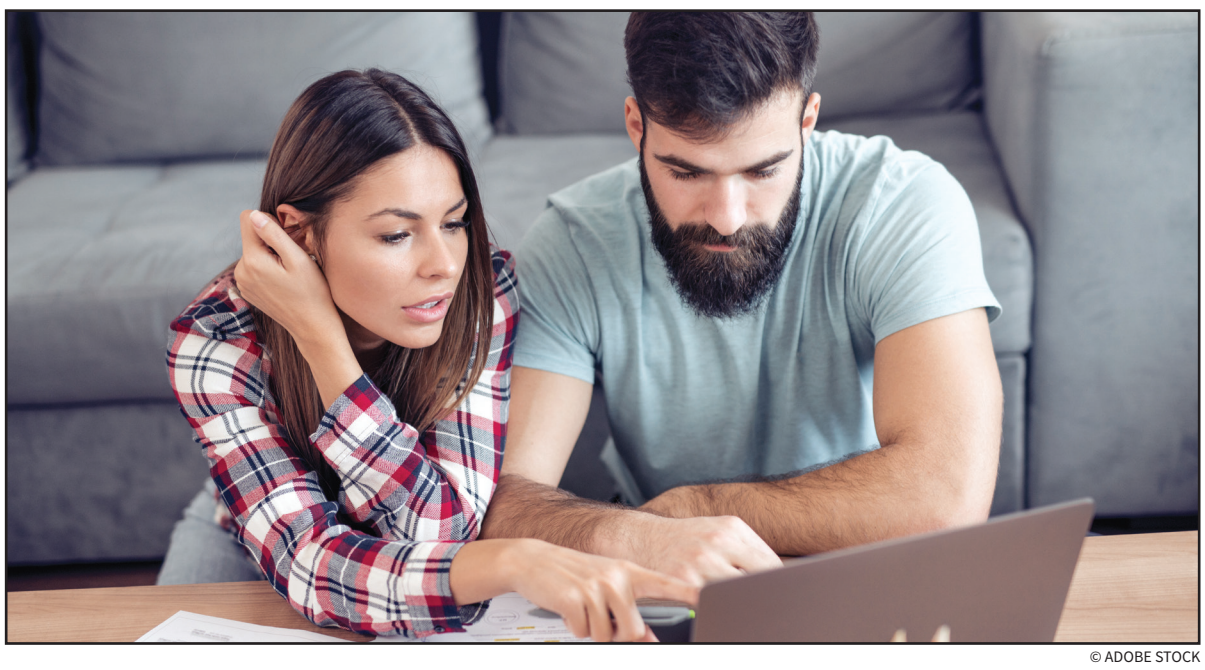
Organize Your Finances

Your debts don't disappear at the time of death. In many cases, your family may be held responsible for any outstanding obligations. When planning your estate, spend time organizing your finances to ensure an executor knows what you owe and how to make the payments.



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A life insurance policy means more than leaving something behind for your loved ones, it should also cover funeral expenses and fund your financial responsibilities. Determine the amount you owe and adjust your plan with an insurance agent.

Your family members will be dealing with grief at the time of your death, what you do to ease the stress before the fact, can make it easier for them to adjust.

Important Documents

You should print out clear documentation of life insurance policies and retirement plans, including pensions and annuities. Keep them in a safe place and disclose the location with loved ones. At the time of death, they will require these forms to ensure your contribution is dispersed to the right person, rather than going unclaimed and ending up with the state.

It's a good idea to gives copies to your estate planner, attorney or even in a safe-deposit box. These documents should be easily accessible when they are needed.

Gathering Debts

Another set of documents you will need to disclose with your estate executor is a list of your financial responsibilities. These include mortgages, vehicle commitments and credit card debts. Keep your account information in a secure and organized portfolio to make payments easier.

Don't forget to update balances regularly to keep numbers accurate.

A great expert to have when gathering your debts is a financial advisor. Together, you can set up beneficiaries for retirement plans, allow family to access accounts and even create savings strategies for your surviving family and finances.

Leave Clear Instructions

Modern technology makes bill paying easy with services like autopay. Make sure your loved ones know how and what comes out of your bank account.

It's easy to forget small charges like subscriptions and utilities.

They should know how to opt out of these fees as every dollar can be crucial when meeting final financial obligations.

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pages of each spouse's Social Security statement because this provides a lifetime income history. Of note, the Social Security Administration currently mails Social Security Statements to workers age 60 and over who aren't receiving Social Security benefits and do not yet have a "my Social Security" account. Read more information about getting your Social Security statement.

Mathias also said Social Security benefits can be considered in determining alimony. "For instance, the ex-spouse's benefits can be equalized by determining the difference between their benefits and adding half of that amount to the amount the ex-husband would otherwise pay in alimony and he gets an adjustment to income for it, for income-tax purposes."

Women going through a divorce might consider the possibility of their spousal or survivor's Social Security benefits declining in the years to come, said Sewell. "Social Security is an important safety net for many families and the program bears watching, as it will struggle to pay full benefits in 2034 and beyond which is only 16 years in the future," she said.

For many women, Social Security benefits are a critical source of income in retirement, said Mathias. "When a marriage ends, it isn't necessarily the end of entitlement to benefits based on the ex-husband's work record," she said. "This is a very complex and fact-specific area, and one worth evaluating carefully before a life-changing financial mistake is made."

More Planning Tips

Do not sign a settlement agreement that has not been modeled by an experienced divorce financial planner (DFP).

When you start divorce negotiations, you should engage a DFP so that you know your money and have context for negotiation.

Whenever possible, the marital estate and income should result in two financially stable households post-divorce. "When that does not occur and there was enough to make it occur, it means the rest of us -- society -- must pick up the tab as the financially stressed spouse ages," Sewell said, "Fundamentally, this is unfair to many more people beyond the stressed spouse."

Tax reform could bring changes to alimony which would make retirement accounts even more important.

Don't forget life insurance and disability insurance to protect alimony and child support.

7 steps to retire comfortably

BY JEFF SCHNAUFER
CTW FEATURES

Starting early is truly the key for building a secure retirement, says Robert R. Johnson, former president and CEO of the American College of Financial Services in Bryn Mawr, Pennsylvania and the co-author of "Investment Banking for Dummies" (Wiley, 2014).

Another powerful tool is time, says Peter Lazaroff, co-chief investment officer and wealth manager at Plancorp, LLC, in St. Louis, Missouri.

"Anyone that is turning away from stocks in favor of start-up investments and crowdfunding is taking on significantly more risk than a traditional stock and bond portfolio," Lazaroff says. "Time is the most powerful tool in finance, and leveraging the compound returns of a traditional stock and bond portfolio is the surest way towards financial success. It's not particularly sexy, but good investments usually aren't. Good investing is about hitting singles and taking walks. People who try to hit home runs will strike out more often than not."

And while many people put saving for retirement last on the list of priorities because it is so far off in the future, it should be first on the list, Johnson adds. There are many options for a child's education – student loans, going to a less expensive state school, etc. Once someone hits retirement and hasn't saved enough, the options are unattractive – work longer and/or scale back on your lifestyle."

Even when there are employer-sponsored opportunities to save for retirement, many people do not take them, says Keith Baker, a mortgage banking professor at North Lake College in Irving, Texas.

Given the importance of time, prioritizing and the power of compound interest, just how should a person in her 30s or 40s save for and invest their money to have $1 million awaiting them for retirement? Johnson, Lazaroff and Baker provide seven tips for that seven-figure investment plan below:

1. Seek Professional Help

"Crafting and carrying out a retirement income plan is difficult," Johnson says. "People should establish a relationship with a financial advisor to help guide them through the complex retirement landscape." Johnson suggests seeking trusted advisors holding a well-respected financial credential such as the Chartered Financial Consultant (ChFC), Certified Financial Professional (CFP) or Retirement Income Certified Professional (RICP) designations. Lazaroff suggests that people only work with a financial advisor that is a fiduciary and regulated by the SEC: "If they aren't regulated by the SEC, then the advice they provide is held to weaker standard that allows them to sell products that may not truly be in your best interest."

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2. Build a Budget

"Start by keeping a log of what your cash outflows are in detail for 2 months," Baker says. "Have a goal of reducing less than necessary spending to save an additional $400 per month. At a 7 percent return this would create $516 627 by age 65 if you started at age 30 or $1,030,589 if you had an employer that would match your $400 per month."

3. Save That Raise

A recent Mercer study has shown that the average raise over the past 5 years has been around 2.8 percent, Baker says. This would translate into an additional $150 per month in savings if you put it into an IRA or as an additional contribution to a 401(k) plan. Take $150 of each subsequent raise and add it to the original $150. This compounded over a 25 year period from age 40 to 65 at a 7 percent return would be $1,096,462 starting off saving $1,800 in year 1 and $45,000 in year 25.

4. How Much Does Home Cost?

Many individuals have not moved into the most cost-effective housing. Says Baker: "I am not advocating for the 'Tiny House Nation', but smaller energy efficient housing closer to work can allow additional funding for retirement. Just because you can qualify for a mortgage when your housing to income ratio is 28 percent and you make $100,000, it doesn't follow that you should be spending $28,000 a year on you home payments. If you could reduce your housing cost by $11,000 a year at age 35 and save the difference in an IRA or 401(k) at 7 percent, you would have $1,078,063 by age 65."

5. Stay Strong

Don't be conservative when setting your asset allocation, Johnson suggests: "Time is your greatest ally when you are attempting to accumulate wealth. Over the long run, stocks have beaten bonds in performance over every 20 and 30-year period in U.S. history. While that isn't guaranteed to happen in all time periods in the future, the odds are overwhelmingly in your favor."

6. Take the Good and Bad Markets

"Time and compound interest will reward you for your patience," Lazaroff says.

7. Optimize Tax-Deferred Accounts

"The only thing better than compound interest is compound interest without taxes," Lazaroff says. "Taxes shrink your return, so try to contribute the maximum allowable amount to company retirement plans and IRAs.

Retirees Should Plan Before Renting

Selling the family home for the cash can backfire in the long run

BY MARILYN KENNEDY MELIA
CTW FEATURES

Here's how the American "dream" has traditionally worked: Rent as a young adult, while saving for a down payment; buy a home and maybe buy again a couple of times; leave when advanced age means you require care or can't maintain your home.

Now, though, a significant number of households age 55 and over are short-circuiting that process and selling early, and opting to rent.

According to the Harvard Joint Center for Housing Studies (JCHS) there are some 1.9 million more households 55 and over renting now than in 2006. Part of the increase is due to the greater numbers of the Baby Boom generation, as well as owners who lost their home to foreclosure during the recession.

But, there's a burgeoning group of 55 -plus homeowners who would rather rent, notes Richard Fry of the Pew Research Center.

For some, the draw has been the many newly built apartment complexes catering to the 55-plus demographic, adds James Chaknis, spokesperson for JCHS.

"A lot of people talk about (selling and then renting)," adds New York City financial planner David Schneider. "They may have a lot of equity but not a tremendous amount of retirement savings."

But using equity — which is the amount of a home's value that is not mortgaged — early in retirement can be risky, especially for those in their late fifties or sixties, Schneider notes.

Funds must be invested conservatively to avoid potential losses. At the same time, Schneider says, very conservative investments might not provide the cash flow needed to pay rent and other expenses.

It's a complex calculation, and one on which would-be retiree renters should consult with financial experts, he says. "It may be more [economical] to stay in your house," Schneider concludes, noting that renting a room AirBnB-style or taking in a roommate are increasingly popular options for house-rich retirees.

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Make A Succession Plan

If you own your own business, you know the importance of planning. One aspect many avoid is creating a succession plan in case of death. Building a detailed report of what is expected provides a way for your vision to continue.

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When preparing these documents, hiring the services of an estate attorney is helpful. Their expertise can streamline the process of creating the plan and see to it that your wishes are carried out. Don't risk the future of your business and family by failing to create a solid succession plan.

Buy-Sell Agreements

The death or disability of a business owner can destroy a company without a detailed buy-sell agreement in place. According to the American Management Association, your agreement should cover the following terms:

- Who buys or sells;
- Under what conditions is the business transferred;
- The price and terms; and
- How the transaction is funded.

Make sure to spend ample time deciding the best avenues and strategies when handing over the business to capable hands.

Involve an Expert

A good way to ensure all the bases are covered is by hiring a succession plan consultant. Be honest about your role and importance to the business so they can help find a successor who shares the same goals and talent to keep your company afloat.

There will also be the issue of funding. If you're a major contributor to supplying financial resources, you will need a plan in place to ensure the funds are still available. Inquire about a life insurance policy that will protect your business and the employees and families who rely on it.

Involve Your Family

Talk with your family and loved ones about their vision for the future of the business. The right succession plan will depend on their decision to continue the business or plan an exit strategy by selling.

While your succession plan should have key players in place in case of an emergency, don't forget to include the younger generation for future planning.

Approaching the youth in your family about having a role in the business is a great way to teach them responsibility and get a head start on learning the ins and outs of your company.

How to get your home in gear so you can age comfortably in place

BY ERIK J. MARTIN
CTW FEATURES

While getting older is a fact of life, aging with grace and dignity is a universal goal. Problem is, your home probably lacks the universal design features necessary to make that goal a reality.

From the front steps and the bathtub to the staircase and second-floor master bedroom, your home simply may not be as senior-friendly as you think.

That leaves you with two options: You can sell your home and buy/move into a more accommodating dwelling; or you can prep your existing residence for your silver years ahead.

Considering the hassle and expense of listing your home and moving, option #2 can be a smarter choice, say the experts—and one that can pay dividends even if you end up selling your dwelling after all.

"Moving is expensive no matter where you live. There's the challenge of preparing your home for sale, the actual cost of packing and moving, and the expense of things that might need to be purchased for a new home—like furniture and window treatments," says Janet Lorusso, interior designer/owner of JRL Interiors in Acton, Massachusetts. "Assuming your current home is still an appropriate size, using the money you might have spent moving on upgrades instead allows you to stay put and have the benefit of a safer, better space in a familiar neighborhood with your known social network."

Additionally, there's a rising cost of long-term care and assisted living facilities, notes Paula Renaldo of The Keyes Company, a Miami-located real estate firm.

"Fortunately, the new generation of older homeowners are much more active than their parents were. They often prefer to continue living in and taking advantage of the home they raised their family in," Renaldo says.

Lea Oxenhandler Litvin, AIA, architect with LO Design in Philadelphia, points out that many homeowners today can take advantage of

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increased rates of accrued equity to make an age-in-place plan successful.

"By tapping into your home's equity via a home equity loan or line of credit, or by investing your own savings, you can make your existing home work for you for many years to come. This creates a stable housing situation for yourself and your family," Litvin says. "It's actually a great strategy for all ages and income levels. A series of upgrades can increase your home's resale value and make it more appealing to a much wider market of buyers if you plan to sell even before you would use these senior-focused amenities."

Bill Golden, associate broker with Atlanta-based RE/MAX Metro Atlanta Cityside, says it's best to be proactive and future-proof your house now versus later, if you have the means.

"The last thing you want is to be forced to have to make upgrades after a medical or financial crisis has occurred. An aging-in-place plan should be well thought out well ahead of time," says Golden.

The top area that can most benefit from a senior-friendly improvement is the bathroom, most agree. A first-floor bathroom that replaces a tub with a curbless walk-in shower is the ideal choice.

"Curbless showers with built-in benches are now very chic and in-demand," Lorusso notes. "The bathroom should also feature cabinetry with drawers or roll-out shelves, which are easier to access than standard lower cabinets, and grab bars, which are now available in more styles and finishes than ever before, that match the rest of the décor."

If you want to postpone the grab bars for now, "at least put blocking in the walls that will support future weight-bearing grab bars, such as near the shower and toilet," Lorusso adds.

Sam Cross, founder of Broad Street, a Chicago-located senior home care services provider, says other additions to the bathroom can make a big difference, too.

"These include smooth, non-slip surfaces, hand-held shower heads and sprayers, and a 911 switch," says Cross.

Equally important is a main floor master bedroom that eliminates the need to climb stairs.

"Sometimes there are other rooms on the main level that aren't needed much anymore, and a bedroom can be created there. It doesn't even have to be a big master suite," says Golden.

Converting a first-floor family room or den into a bedroom is easily accomplished by adding a door and closets, Lorusso adds.

Another recommended retrofit is relocating the laundry room.

"On many older homes, the washer and dryer are in the basement or on a different level than the bedrooms," Golden says. "This can become difficult in later years, so many folks are finding ways to convert a closet or some other area into a more convenient laundry space."

Smart home devices can be worthy investments, too.

"Features like voice- or smartphone-controlled sound systems, thermostats and security mechanisms can allow you to more easily control the comfort and security of your home from anywhere in the house. And they are essential if mobility is limited or restricted," says Litvin. Many experts cite gadgets like the Amazon Echo smart speaker, Nest thermostat, Philips Hue smart bulbs, and Ring video doorbell as worthy high-tech candidates for your home.

While they can be pricey, a stair lift or elevator could simply any staircase worries—although it's challenging to retrofit an elevator in an existing residence.

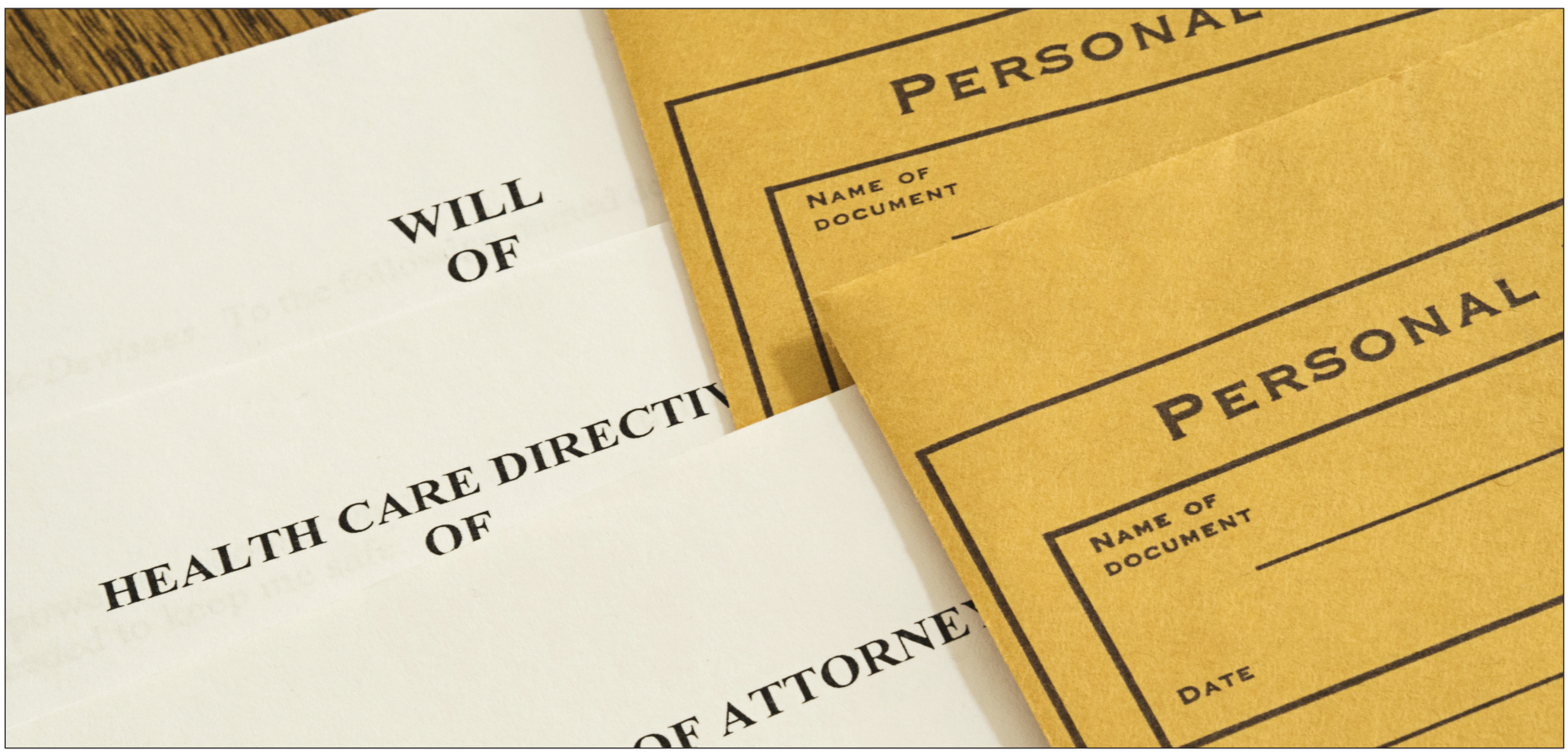
"Adding a stair lift or an elevator, especially one that can accommodate a wheelchair either within your home's existing footprint or via a small three-wall bump-out addition, can be a wise option," says Jim Quinly, president of Raleigh, North Carolina-headquartered AmeriGlide Elevators and Lifts. "Widening doorways within your house, should you need a scooter or wheelchair, and adding a zero-entry threshold and porch lift can also make the ingress and egress safer and more inviting."

Whatever age-in-place home improvement you make, realize that, while it may be necessary, it may not pay you back at resale.

"Any investment that helps you won't be a bad investment. But some of the money you spend may not come back to you when the home is eventually sold," Renaldo says.

Health Care Directives

When you become too frail or sick to make your own decisions on end-of-life health care, the emotional strain is passed to your family or loved ones. Not only can this cause incredible stress, the avenue they take may not be the route you had in mind. Be open and honest about your final wishes.



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Don't procrastinate when creating an advance-care plan. Age isn't the only factor that should be considered. A medical crisis that leaves you too ill to make your own decisions could strike at any time.

Emergency Treatment

Without a solid health care directive in place, family members may be tasked with making difficult decisions for your treatment. Here are a few common instances you must have clear and legal instructions regarding, as suggested by the National Institute on Aging.

- CPR: If your heart begins beating with an abnormal rhythm, it can be life threatening. Discuss with your family your opinions about resuscitation so they can determine if CPR should be administered.
- Ventilator: When you are unable to breathe on your own, a ventilator can be used to keep you alive. It usually includes a tube which is connected to your trachea to ensure you're receiving enough oxygen.
- Comfort care: Deciding how to keep you comfortable while suffering is another factor you should have clear instruction for. Consider instances like limiting medical testing, spiritual and emotional counseling, and pain medication.

Types of Facilities

Visit different facilities to make the decision on where you will stay if you become disabled to the point you can't take care of yourself. It's important to have a plan for different stages of life. Here are a few to consider.

If you require minimal assistance to live your day-to-day life, an assisted living community is a great option. You have the freedom to reside in your own space yet receive help in areas like laundry services, prepared meals and personal care.

A nursing home is a better option when you need constant assistance from medical professionals. Here, you can receive 24-hour supervision and help with daily necessities like bathing, grooming and medical management.

In-home care is a great option for someone who wants to stay at home while receiving the same benefits as an assisted-living facility. While it can be expensive to call on medical professionals to come to your home, it is a very comfortable option for those needing help.

A Young Person's Guide to Retirement Planning

Retirement might seem like a far-off dream, but to make your dream a reality, it's vital to start planning now

BY LISA IANNUCCI
CTW FEATURES

Congratulations, you've just landed your first big-time job and you're ready to start making some important decisions about your financial future. Of course, that means it's already time to think about retirement.

"It's understandable that young adults might be thinking about simply making ends meet and planning for a wedding, house, etc., but starting to save for retirement at an early age is important," says David Bakke, finance expert at Money Crashers. "The biggest reason is the power of compound interest, which means that you earn interest on the interest you earn. Someone who starts saving for retirement at age 25, compared to someone who waits ten years, will have a whole lot more money set aside just because of this simple equation."

For example, let's say that 24-year-old Suzie saves $10 per week for only ten years. Johnny starts savings $10 per week at age 35 and continues saving for the rest of his life.

"Johnny will never catch up to Suzie in terms of account balance," says Dean D'Amico, owner/developer of Ledger1.com. "The extra 10 years of compounding that Suzie got by starting early outweighed all the extra years of saving that Johnny made. More specifically, the $520 per year Suzie saved for 10 years (from age 24-33) will provide an income 10 times that ($5200 per year for 10 years) starting at age 67 and that's in today's inflation adjusted dollars. Clearly it makes sense to try to be Suzie and use the leverage of compounding to your advantage."

Unfortunately, D'Amico says that the desire to put money away at an early age is outweighed by the desire to spend, experience and do things when someone is young, healthy and vibrant. "You might decide that the amount you gain in the future is worth the trade-off of giving something up today," he says. "Deciding to put off saving until your thirties or forties leaves an enormous amount of money on the table."

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Where to Invest

Once you're ready to save, where should you put your hard-earned dollars?

"Any account that can be tied to an ATM or debit card is not a true savings account," says Scott D. Edelman, president of Edelman Wealth Management Group in Yardley, Pennsylvania. "Look at savings accounts as a place for short-term needs, such as immediate purchases or to pay for a vacation, but they are not true savings vehicles. True savings are created away from a bank account."

Once you've socked away some money in your savings account for emergencies or a vacation, it's time for long-term investment options. "Participate in your employer's 401(k) plan if offered and research to choose the best investments," Bakke says. "Then allocate as much of your salary or paycheck as possible."

If these plans are not available, Edelman says that Traditional and ROTH IRAs are worthwhile investment options. "Determining between a Traditional and ROTH boils down to understanding the need for current tax deductions," he said. "If a young adult is fortunate enough to own their own business, which there are many, there are also other avenues available to these young entrepreneurs and which allow for higher contributions limits than Traditional and ROTH IRAs, such as solo 401(k), Simple IRAs and SEP IRAs."

If IRA and 401(k) is a new language to a young saver, Edelman suggests working with a financial advisor. "An advisor will work with you to create a goals calculator will show you how much you need to save to achieve your goals," he says. "Your plan should include an asset allocation strategy, which takes into account many different asset classes, such as equities and fixed income."

The recent drop in the stock market shouldn't frighten away young savers either. "It has also had tremendous gains over the recent past as well," Bakke says. "Millennials may not be pleased, and today's environment of instant reaction probably doesn't help matters, but one of the most important things to understand is that when it comes to retirement investing, patience is key."

Before deciding where to invest, D'Amico urges everyone to do a self-assessment and determine their strengths, weaknesses and level of interest in learning about investment concepts.

"If you are not a numbers person and have no interest in investments and financial matters, then you need to carefully determine how you are going to get the assistance you need," he says. "A trusted friend or family member who has the knowledge might be willing to help. There are many websites designed to help you set your investing on autopilot. There are also numerous apps, many of them free, that will assist you, but you need to take the time to learn how they work. The key is to find something that is suited to your style that you can turn to year after year to monitor your progress and do strategic planning."

The bottom line is that millennials need to remember that they have time before retirement to achieve financial success. "They are in a great position to weather any short-term fluctuations in the market, and, if managed properly, their retirement savings will grow in the long term," Edelman says.

Become An Organ Donor

When you make a commitment to donate healthy organs or tissue at the time of your death, you positively impact the lives of numerous others. When planning your legacy, it's easy to have your loved ones at the forefront of your mind, but a simple registration could influence the health of a stranger.

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According to the United States Department of Health & Human Services, there are two ways to sign up to be an organ donor. From the comfort of your home, visit their website and fill out a simple form. If you would rather complete the process with a representative, the experts at the local Department of Motor Vehicles can help.

Statistics

There are thousands of Americans in need of healthy organs or tissue. Here are some sobering statistics from the United Network of Organ Sharing, to show you the importance of registering:

- 113,864 people are on a waiting list for a lifesaving organ transplant.
- One organ donor can save eight lives.
- A person is added to the national transplant waiting list every ten minutes.
- In 2018, there were 33,432 transplants performed.

How You Can Help

Adults who are legal citizens in the United States are eligible to donate organs at the time of death, and, in some cases, during their lifetime. Of course, certain diseases may inhibit your from becoming a donor; be honest about your health conditions during registration.

Some things that may prevent someone from applying are an HIV infection, cancer or a systemic infection. Keep in mind that organs that aren't affected from these diseases may qualify, so visit a representative to discuss your options.

Talking with Family

Make sure to discuss your wishes with your family. Conversations regarding death are never easy. You should approach the subject with sensitivity by discussing the benefits that registration offers to others. Your loved ones may even be curious as to how they register for the national donor list.

Masters of the Universal

Universal design offers benefits to people of all ages and abilities

BY NANCY MATTIA
CTW FEATURES

Imagine a world where people with different physical abilities could use the same shower stall or kitchen faucet without compromising their safety or dignity. That's the general idea behind universal design, a user-friendly approach that helps people make their homes more welcoming and accessible to all.

How Universal Design Works

The concept promotes common-sense designs that are stylish yet safe and easy for everyone to use, despite an individual's age, size or physical limitations.

"Universal design takes into account a broad range of users and abilities," says Sarah Barnard, a Los Angeles interior designer. "It makes sense for designers and builders to plan our projects with that in mind since great design should accommodate the widest number of users — ourselves, our kids, our parents, our grandparents."

For older folks, a well-thought-out plan lets them age in place, which means continuing to live safely and independently in their own homes for as long as possible.

The ideas are meant to work for young and old alike. For example, a home built with a ramp instead of stairs to access a back door would benefit not just an elderly person in a wheelchair but also someone pushing a stroller. A hand-held showerhead on a slide bar that's mounted low on a bathroom wall would be easy to reach for every family member, regardless of their height or flexibility.

The Design's Visual Appeal

The concept is discreet and shouldn't look like a nursing home. Goods from faucets to furniture are created with a contemporary aesthetic and fit in seamlessly with a room's décor, so you'd never know universal design principles were at work.

"More and more plumbing manufacturers are offering grab bars and shower rails in finishes like oil-rubbed bronze and polished nickel that match the fixtures already in the bathroom," Barnard says. "The look is beautiful and integrated.

Some innovations:

- Curbless showers, which let the user walk into the shower without having to step over a threshold
- Wall-mounted toilets and vanities that can be adjusted for height
- Grab bars in the shower/tub to steady yourself on wet surfaces
- Single-level, touchless kitchen faucets that require a simple tap to turn on and off
- Induction cooktops and ranges with burners that are cool to the touch and easy-to-reach controls on the front
- Keyless door locks that operate using a touch pad instead of a standard key
- Door knobs with a lever design that's easy to turn
- Light switches with large flat panels instead of small toggle switches that are difficult for arthritic hands

More Than Just Products

Universal design is also about making smart renovation choices, like widening doorways because the wider they are, the better it is for wheelchairs and walkers to come through.

It's about choosing consistent flooring surfaces so when someone walks from, say, a tile floor in the kitchen to the hardwood floor in the dining room, they don't trip where the two materials meet.

It's about picking safe bathroom floor tile: "Anytime the size of the tile is bigger than the size of your foot, it's pretty much a slip hazard when you step out of the shower," Barnard says.

She suggests choosing small tiles, since those require more grout, which creates more traction.

Why Some People Are Reluctant to Adapt

Despite its obvious benefits, universal design can still be a hard sell.

"No one wants to think about a less-than-ideal future, when they may need help getting around and living in their home," Barnard says.

So rather than plan for tomorrow, she asks reluctant clients to plan for today: "What would happen if one of your kids gets a sports injury and can't make it up the stairs to the bedroom or bathroom?" she asks them.

Most people eventually see the light.

"If the home is multistory, they'll make at least the first floor accessible, so If and when it becomes necessary, things are already in place."

Healthy Body, Healthy Mind

Checklist for Retirement

Staying physically mobile and socially connected are keys to a long, happy retirement. Here's how to prepare for your work-free days

BY LISA IANNUCCI
CTW FEATURES

Congratulations! You've worked hard and now you're about to enjoy the perks of retirement. Staying physically mobile and socially connected are keys to a long, happy retirement, but, we seem to spend more time focusing on financial security and very little time planning for good health and connectedness.

"We need to focus on what we can do in our retirement to keep our mind and emotions healthy too, and that involves relationships not just with our significant other, but also with friends we can go to and do things with," said Joan Price, an expert in sex, dating, and relationships and the author of "The Ultimate Guide to Sex After 50: How to Maintain – or Regain! – a Spicy, Satisfying Sex Life" (http://www.nakedatourage.com/).

Once you retire, and as you age, the relationships and friendships you have may start to change. You may not see your co-workers on a social basis anymore or friends may pass away unexpectedly. Perhaps when you retire you are going to relocate to a new destination where you need to make new friends. But how do you go about keeping social and meeting new friends?

"Find something that you love doing and start doing it again," said the 75-year-old Price. "We let life interfere and let things go away that we once liked to do."

For example, Price said she loves reading novels, but didn't have anyone to talk to about how good, or bad, they were, so she decided to start a book club in her area.

She also enjoys teaching line dancing to other seniors. "They love it too because it's a way to be social and get movement in their lives and it's fun," said Price. "They make friends and even do things together outside of the lessons."

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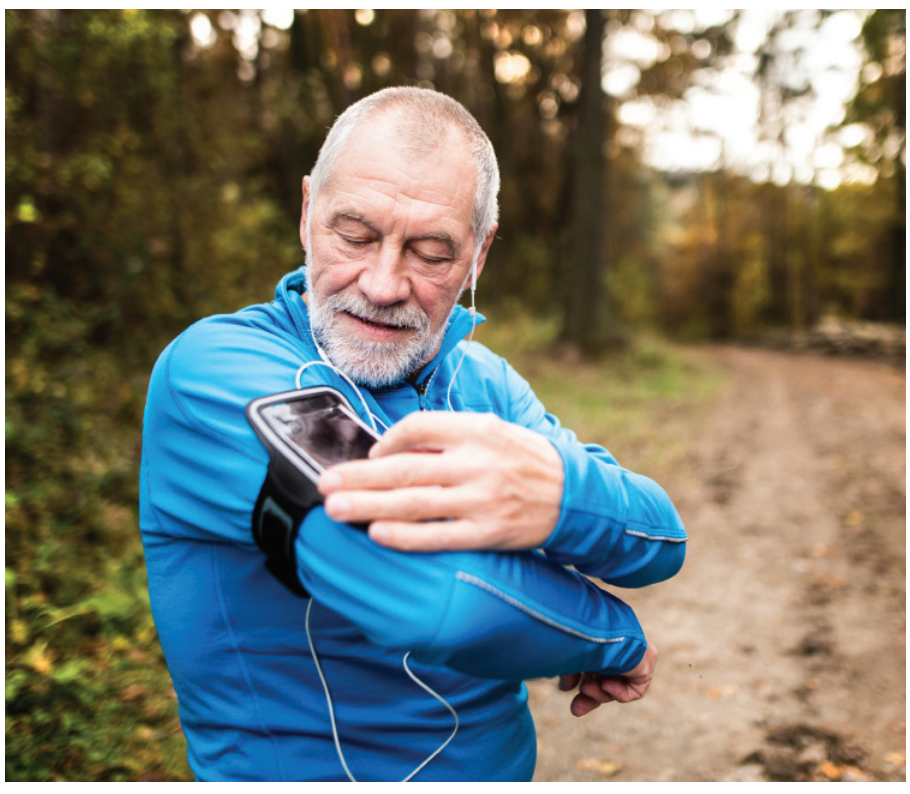
Maybe you enjoy watching movies, singing or hiking. Price suggests finding local groups with the same interest. You can do this by looking on meetup.com for groups that interest you, and maybe even try something new. "It's a wonderful way to find activities that are happening in real time and get connected with others," she said.

You can find a Meetup group on pretty much any activity, but if you don't find something you might want to try, you can start a Meetup group of your own and invite people to join.

Health and Happiness

You've worked so hard that sitting on the couch and doing much of nothing might sound like a whole bunch of fun, but Dr. Jonathan Rich says the novelty can wear off pretty fast.

"You might be retiring from one thing, but you have to find something that's fulfilling to take its place because a day is long," said Dr. Rich, a primary care doctor at Mercy Medical Center in Baltimore, Maryland. "If you sit at home on the couch all day you're setting yourself up for depression."



To keep yourself healthy so you can enjoy traveling, visiting the grandkids or whatever else you want to do in your golden years, Dr Rich said there are several things you should do even if you're on the cusp of retirement.

"Before you retire, and especially if your health insurance is going to change, make sure that everything is up to date," he said. That means you should have routine and preventative procedures done such as colonoscopies and bloodwork and fill medications.

"You always hear about fitness for health, but there is also fitness for agility and preventing falls," says Dr. Rich. "You want to enjoy the benefits of exercise so you don't fall and break a hip because there could be catastrophic consequences."

Now that you're retired, you really have no excuse not to exercise. "You have all the time in the day because you're not working," said Dr. Rich. "Instead of getting up at 7 a.m. to go to work, now you can wake up later, go to the gym, and go through a simple workout routine."

If the idea of hitting the gym doesn't thrill you, find an activity that you do enjoy. There are exercise classes at senior centers and local colleges as well as educational programs through your local hospital.

By implementing some of these health and social changes and adding new activities even before you retire, you will have an easier transition for when you actual hang up your work clothes and ride off into retirement.

Preventative Measures

Alzheimer's disease is the sixth leading cause of death in the United States. By 2025, the number of people age 65 and older with Alzheimer's disease is estimated to jump by 40 percent, according to the Alzheimer's Association, a voluntary health organization devoted to Alzheimer's care, support and research.

While there is not yet a cure for the disease, recent research has determined certain behaviors that might lower people's risk of Alzheimer's. Decrease your risk of Alzheimer's by eating more antioxidants and less dairy products, sleeping between seven and nine hours each night and taking a brisk walk a few times a week.

Keep your mind sharp by completing puzzles in your free time and be cognizant of diet and exercise to decrease your risk even further.

Family history and genetics can strongly affect your chances of getting the disease. Because you have no control of what genes you carry, continue to visit your doctor regularly for checkups.

To combat at-risk behaviors, professor Dr. Gary Small, director, UCLA Longevity Center, developed a 14-day jump-start program that he outlines in his book "2 Weeks to a Younger Brain" (Humanix Books, 2016).

As part of the program, he advocates daily exercise, healthy eating habits, stress reduction and mental stimulation. The short program is meant to instill healthy habits for life.

"One week is not enough to protect your brain, but it's creating brain healthy habits for your lifetime," Small says. "So, it's a bit like going on a diet and losing a pound — you step on a scale and see that and that motivates you to continue."

Small encourages people to make healthy lifestyle choices as early as possible, but recognizes that most people don't actively change old habits until they start to show symptoms of cognitive decline. The good news is, even if you have begun to experience memory loss, you significantly can improve memory capability by making positive changes with regard to exercise, diet and brain stimulation.

A specific technique he uses to improve memory is called "look, snap, connect."

"Look" refers to focusing attention on whatever you're hoping to remember.

"Snap" refers to taking a visual snapshot of the item you're trying to remember.

"Connect" is the act of connecting the two so that they have meaning.

So, let's say you're running an errand and need to remember to pick up eggs, stamps and shoes. You might imagine yourself holding a large egg with a stamp on it that drops and gets yolk on your shoe, Small says.

The more absurd, the easier it will be to remember.

Pomp and Debt Circumstance

BY MARILYN KENNEDY MELIA
CTW FEATURES

Congratulations. You've earned that degree, and now will put it to good use. Exciting years are ahead. Oh, except, those student loans are no longer a far-off future concern. Naturally, you'd like to keep putting off the day of reckoning.

Fight that impulse and take a slow, deliberate look at your loans, experts advise. Knowledge of your rights and options greatly increase the odds that your payback will go smoothly –and more quickly-- than if you stumble into trouble you could have avoided.

So here's a primer on what to know for a more painless payback:

1. Take a good look

All schools must have their graduating students go through "exit counseling" if they have federal students loans. "It could be in-person counseling or electronic," explains James Kennedy of Indiana University.

Some graduating students will be surprised at the total, says Holly Morrow of the non-profit uAspire, if their school didn't do yearly counseling.

With one of the two types of federal loans, the Perkins, extended based upon a student's financial need, payments don't begin until after a nine month grace period following graduation. With the other, Stafford loans, there's a six month post-graduation grace period.

In exit counseling, you'll be directed to visit government websites, like www.studentaid.gov, www.studentloans.gov, or the National Student Loan Data System (www.nslds.ed.gov), where you can see account information for each loan.

2. Decide on the best payment plan

The "standard" payment plan for federal loans sets the monthly principal and income bill so that the loan is paid in ten years.

If you have a job lined up, you can estimate if the standard repayment seems manageable on your income.

"If total debt at graduation is less than your annual starting salary, you should be able to repay your [federal] student loans in ten years or less," says Mark Kantrowitz, publisher of www.privatestudentloans.guru.

If you're one of the about 12 percent of undergrad students who also borrowed private loans from lending firms [federal loans are extended by your school], you'll have to consider add in the cost of those private loans, too.

Should the standard payment on your federal loans seems unmanageable, there are other options, like "income-based" repayment, that gauge what's owed based on your monthly income, but stretch the term past ten years.

A school loan counselor can help you determine the right repayment plan, Kennedy says.

"At the end of the grace period," says Diane Cheng, of The Institute for College Access and Success, "you are placed in a payment plan." Unless you deliberately indicate that you want a specific plan, the standard plan is the default option.

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If you don't have a job at the end of the grace period, Cheng suggests designating an income driven plan where "your payment will be a percent of your income ... which is zero [until you are employed]."

You can switch plans again if you like in the future, Kennedy says.

3. Bundle loans together ... or not

If you borrowed each year, you'll have different federal loans, and if you transferred schools and borrowed, you might have different "servicers," or organizations that bills and collects your payments, Kennedy explains.

However, "In the last few years, the Dept. of Education has been trying to curb [multiple] servicers," Cheng says.

For simplicity, it's possible to consolidate several federal loans into one. The interest rate on a consolidated loan is the weighted average of the rates of each loan in the bundle, rounded up to the nearest one-eighth of a percent, explains Kantrowitz.

The advantage to separate loans, though, is if the interest rate on one is higher than the others, when you have extra funds you can prepay the higher cost loan, says Kantrowitz (more on prepaying below). And, if you're thinking you might qualify for public service loan forgiveness, be careful about consolidation, Cheng says, pointing to www.IBRinfo.org for more information.

Most experts advise against consolidating federal loans with private ones into one large private loan, because even if you can get a lower interest rate, you lose the attractive repayment and other options on federal loans providing protection if you run into financial trouble.

4. Put payments on auto-pilot

To ensure that you pay promptly, avoiding dings to your credit and late fees, it's best to direct that bills are automatically deducted from your banking account. In fact, it's common to be offered a .25 percent discount on the rate for automated payments.

It may also be possible to set up one payment even if you haven't consolidated multiple federal loans, Cheng notes.

"Some private lenders offer discounts – .25 or .50 off the rate – as an incentive for borrowers to sign up for auto-debit and electronic billing," Kantrowitz adds.

5. Talk about trouble and anything else

Anytime you lose your job, or otherwise can't keep up your payments, call your loan servicer as soon as possible, Cheng advises.

Deferments – where payments are postponed without accruing interest – and forbearance, which provides a payment break with interest still accumulating are other options.

Attempt to resolve any problem or question with a servicer early, and not only with a call. "It's best to document everything in a written letter and to keep a photocopy," Kantrowitz says.

If you have a complaint with a servicer that you can't resolve, use feedback.studentaid.ed.gov, which is run by the federal Dept. of Education to help, Cheng says.

6. Pay more when you can

When extra money falls into your hands — you're paid a bonus, for example — you might want to consider pre-payment to whittle down the years you'll be paying student loans. Experts advise keeping emergency savings, however.

When you have funds to tap for emergencies, all federal loans allow prepayment without penalty, Cheng says. Private lenders each have their own rules.

"Include a letter that specifies the loan ID number and say to apply the extra payment to the principal balance of the loan and to not treat it as an early payment of the next installment, " Kantrowitz says.

Buying Funeral Insurance

Ensuring the cost of a funeral is covered before the time of death will guarantee your family is not left with the financial burden. If your life insurance policy doesn't cover the service expenses, it's refreshing to find a third party who does. Check with your insurance agent.

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According to the National Funeral Directors Association, the average cost of a funeral with viewing and burial services was $7,360 in 2017. Consider the burden loved ones face if there is no policy in place to cover the cost. This expense can cripple the financial security of family members, especially if there are responsible for other unresolved debts.

Burial Insurance

This important type of insurance can sometimes be offered by licensed funeral homes in your area. However, the Insurance Information Institute says that under most state laws, a policy must be acquired through a broker or agent at an insurance agency. Be sure to shop around for the best policy available based on your age, health conditions and coverages.

Burial life insurance immediately pays your beneficiary at the time of death. They are free to disperse the money as they wish. Most find peace of mind by covering funeral expenses, medical bills or outstanding debts which may be owed.

Pre-need Funeral Insurance

Much like burial insurance, this policy is in place to prepay for foreseen costs like burial or cremation services, funeral arrangements and church donations. The main difference in pre-need insurance is that the available funds are given to the funeral service provider you choose. Understanding the finances are directly going toward the right outlets is an important aid for family members who are grieving. When shopping for policies, look for services who offer a locked in price. This protects you against the rising costs of expenses by guaranteeing your service will be priced at today's standards.

Discussing with Family

Talking about death with loved ones is never easy. However, being honest about your final service expectations helps everyone be prepared when the time comes.

Be open to their questions, advice and listen to their feelings during the conversation.

When To Update Your Will

There are many occurrences that require an update to estate-planning documents.

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A will is your ironclad way to disperse your assets to loved ones as you wish. Here are a few of the top reasons you may need to update this important document.

Change in Marital Status

If you get married after a will is already in place, it's important to update your beneficiaries to include a spouse. Most states have laws in place where a spouse will receive the estate if you die without a will, but the process can be more difficult and lengthier.

A divorce would be another change in marital status that requires a will to be doctored. You will need to address their status as beneficiary, estate executor and sometimes as guardian to your children.

If you have remarried but have children from a previous marriage, you can also update your document to include the kids and new spouse. A financial advisor is a great resource to create a strategy to leave behind something for everyone.

Changes in Financial Situation

There may come a time where you decide to increase or decrease the inheritance you are leaving behind for loved ones.

For instance, if you receive a large sum of money, it's possible to alter your will to add a new beneficiary or make an increase towards those currently on your list.

On the other hand, if you experience financial misfortune, it's necessary to adjust the document to pay out less and ensure your estate's obligations can still be met.

Changes in Tax Laws

It can be hard to stay up to date on constantly changing tax laws, but it's necessary to keep your final document in good legal standing. Especially if your will takes actions to address estate tax issues, it's a good idea to receive periodic reviews by a professional attorney.

Ask for Advice

Don't be afraid to ask your legal expert for advice on other moments that may benefit your last will and testament. Remember, this document is incredibly important to keep accurate as it articulates your vision and solidifies your legacy.

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