

A QUARTERLY NEWSLETTER FROM THE WOMEN'S INSTITUTE FOR A SECURE RETIREMENT

Get It Together! Financial and Health Care Paperwork You Need Right Now

So here's a plan—while it's still tax season, why not take some time and get organized one step further? Instead of just gathering up your important paperwork, make sure that you actually have all the documents you need. The easy stuff first: finding your Social Security card, birth and marriage certificates or divorce settlement papers. Then there are the titles to the car and the house.

More importantly, many of us have no idea where our Health Care Power of Attorney is—if we even have one. That's because most people avoid the issues that are hardest to think about. Resolve to organize your important paperwork in one place. Don't be overwhelmed, just get started, and then enjoy the peace of mind that comes with knowing you have taken action.

As a first step, find one place to keep your important documents and make sure your family knows where it is. In a time of crisis, will your children know what insurance you have or what your health care wishes are? What if you were in an automobile accident and were unable to communicate? Have you identified the person you would like to have making your financial or health care decisions? Or what if you actually died as a result of your injuries? Would your family members know that you had a 401(k) with your former employer?

Advanced planning for life's important decisions is as necessary as living your life. You need to make your wishes known to the people who can carry them out if you are unable to do so. And this requires a little planning. We also strongly suggest that you review everything with a lawyer or other expert in financial and estate planning.

Here are three basic financial documents that everyone needs:

- ✓ Durable Power of Attorney for Finances
- ✓ Living Trust, and
- ✓ Last Will and Testament



It is also important that you have health care documents called Advance Directives. These are:

- ✓ Health Care Proxy (also called a Durable Medical Power of Attorney)
- ✓ Living Will

Financial Documents:

1) Durable Power of Attorney for Finances is a legal document in which you appoint another person to act on your behalf. This keeps your finances in the hands of a person you trust. If you become incapacitated, that person has the authority to make financial decisions for you. The Durable Power of Attorney may be used immediately and is *effective until you die or until you decide to revoke it*. This person must act in your best interests, keep accurate records, keep your property separate from his or hers and avoid conflicts of interest.

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From WISER's President



Dear Friends,

"Be prepared!" Advice we've heard many times in our lives—first from parents and teachers, and now from the government. Why? Because planning ahead and taking steps to protect ourselves are important life skills that help us live in safety and security—no matter what life brings. Although it is difficult to think about, there are certain life events, such as illness and death, which we must prepare for ahead of time. In this issue, you'll find information you need to create and organize important personal and financial documents, including wills and advance directives. Hopefully, facing these issues head on will help you protect yourself, and prepare your family.

Cindy Hounsell



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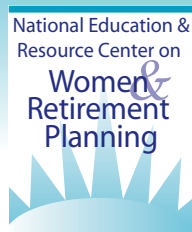
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Resources for Caregivers

Choose the Right Home Care Agency

The Centers for Medicare and Medicaid Services (CMS) has an online tool for finding a Medicare-certified Home Health Agency in your community. It provides the specific services you are looking for, as well as detailed quality information on how well they care for their patients.

Once you've entered location information, and specific services you need, the program compiles a list of agencies in your area, with quality indicators such as percentage of patients who get better at walking or moving around.

Go to www.Medicare.gov and click on *Compare Home Health Agencies in Your Area*. For nursing homes: click on *Compare Nursing Homes in Your Area*. CMS has also recently compiled a list of some of the worst nursing homes in the country. Check out the list at www.cms.hhs.gov/CertificationandCompliance/12_Nhs.asp.

Organize Your Family and Friends

Lotsa Helping Hands is a free, online software program that can provide an immediate way for caregivers to organize family and friends to help with caregiving. The software includes an easy-to-use, private group calendar designed for organizing helpers who can assist in meal delivery, rides, and other tasks. The group calendar helps life run smoothly during times of medical crisis, end-of-life caring, or family caregiver exhaustion. It also provides a place for status updates to keep everyone informed, freeing the caregiver from reporting to many people individually. The online calendar can be accessed by the group from their home computers, and members can sign up for tasks or read updates. Check out this software at www.lotsahelpinghands.com.

Seniors—Get Wired!

Only 30 percent of seniors are regular users of the Internet, compared to 70 percent of Americans. Using the Internet can ease loneliness by helping seniors keep in touch with families and friends. Using the Internet can make shopping more convenient, expand reading materials and assist with research—finding information on medical issues, for example. If you are a caregiver to a senior, consider helping them get set up to use the Internet. Places to get outside help:



- ❖ *Public libraries* and *senior centers* frequently offer classes.
- ❖ *AARP* has training materials on their website at www.aarp.org under *Learning and Technology*, as well as instructions for purchasing computers and Internet services.
- ❖ *SeniorNet's Online tutorial*: "Learn to Search the World Wide Web" at www.seniornet.org. SeniorNet also has Learning Centers in many states that offer on-site, low cost computer classes. For a list of Centers click on "Education" from the homepage.

Just Say No to Your Parents!

Empty Nest Does Not Mean Empty the IRA

Fair or not, Baby Boomers have a reputation for over-indulging their children, and my own parents are definitely guilty. As near-retirees, ages 56 and 59, their desire to help me and my sisters has not slowed much. Although I love my parents and appreciate their support, I am worried about their financial security in retirement.

Boomers like my parents are particularly vulnerable to irresponsible generosity. If it is difficult to deny children in general, it is especially difficult when the money is technically there—for instance, in an IRA. Couples who wouldn't dream of spending an extra dollar on a vacation for themselves will dish out thousands of dollars—too often using money that should be set aside for retirement—to help their children.

WISERWoman strongly cautions against this sort of love. Bruce W., of Maryland, recently drained his and his spouse's IRA—approximately \$70,000—to finance his daughter's wedding. While Bruce, age 57, says it was a great family party, he admits he will have to work "forever." This may sound like a reasonable plan, but more than half of people Bruce's age who expect to work beyond the traditional retirement age end up leaving for reasons such as illness or a job loss.

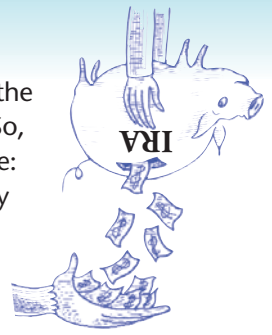
Whenever my mother stresses about holiday gifts, I remind her that there is no "Boomer Rescue" in her future like the "Poodle Rescue" where she found her beloved Charlie.

But there is hope, and it can begin with the younger, if not yet wiser, generation. So, children of Boomers everywhere, hear me:

Before accepting the financial generosity of your parents, realize that without enough retirement savings, Mom and Dad may one day become the needy ones—a new and serious financial strain when they suddenly need help to afford their prescriptions, or must move in with you at a time when you may have children of your own.

Newly terrified of seeing my parents in poverty in their later years, I now try to persuade them to keep their money in their wallets. Whenever my mother stresses about holiday gifts, or how she will spare my sister from an obscene amount of student loan debt, I remind her that there is no "Boomer Rescue" in her future like the "Poodle Rescue" where she found her beloved miniature, Charlie.

So whatever the situation—college tuition, a wedding, a master's degree, a *second wedding*, or even a real emergency, like a new puppy—Boomers and their children should practice saying "No," very firmly to themselves (perhaps every night before bed), whenever compelled to give or receive money meant for retirement. ☹



Don't miss out on the Economic Stimulus Package! & Other Tax Tips from WISER

In May, the Treasury will begin sending out payments as part of the economic stimulus package. More than 130 million households will receive between \$300 and \$1,200. Most people are automatically eligible after filing a 2007 federal tax return. But millions of others—including low-income workers and those who receive Social Security benefits or veterans' disability compensation, pension or survivors' benefits—may not normally file a return. If you know anyone in this group, let them know that they *must* file a 2007 tax return to receive a stimulus payment. For more information, visit www.irs.gov and, using the search option, go to: *Stimulus Payments: Answers to Frequently Asked Questions*.

Tips to Maximize your Deductions and Guarantee a Fast Return This Year

- ☼ You can claim a \$1,000-per-child tax credit for each child under 17, even if you do not itemize your deductions.
- ☼ Utilize the Savers Credit: You may be able to take the credit of up to \$1,000 (up to \$2,000 if filing jointly) if you make eligible contributions to an IRA, 401(k) or other retirement plans.
- ☼ If you earned \$54,000 or less in 2007, you can prepare and electronically file your federal tax return *free*. Go to www.irs.gov and click on "Free File."

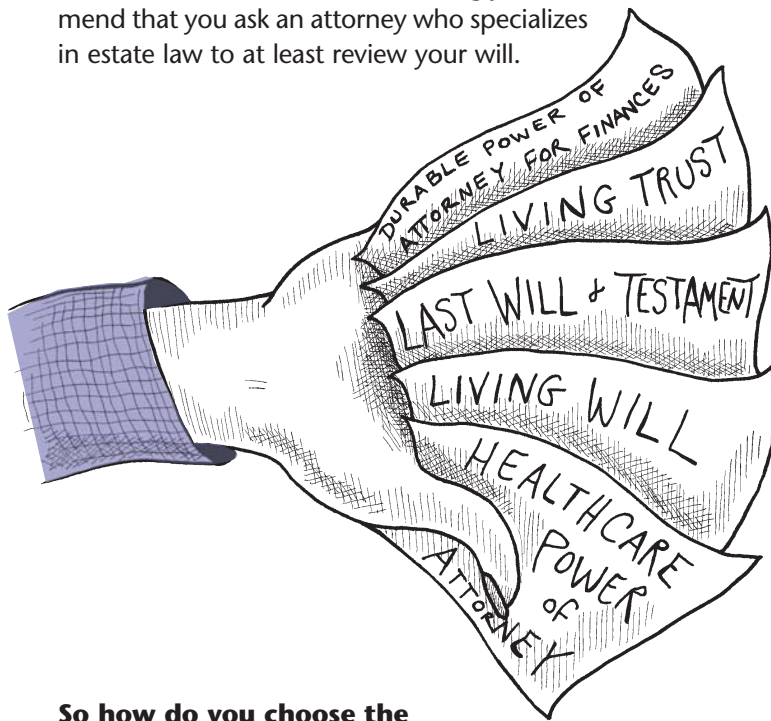
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Paperwork You Need

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2) Living Trust (not a living will) is a legal document that allows you, or a person you name as trustee, to transfer ownership or title to your assets into a trust, but still have control of those assets throughout your lifetime. It names those who are to receive the assets from your trust when you die. A living trust allows your heirs to avoid probate.

3) Last Will and Testament is a legal document that gives directions about where and to whom your assets should go *after you die*. You name an “executor” to carry out your directions as stated in the will. Consider someone in whom you have complete confidence, who is well organized, someone who knows you, but does not have a conflict of interest. What is considered a valid will varies from state to state; therefore we strongly recommend that you ask an attorney who specializes in estate law to at least review your will.



So how do you choose the trustee for your living trust and the executor for your will?

Trustee. Some people name themselves as trustee so they can manage their trust unless they become incapacitated or die. Or they appoint a successor trustee if they become unable or unwilling to act. Or they appoint co-trustees. Others name an institution as trustee. If you name a trustee, remember that this person will have control of your assets, so choose carefully—someone responsible and reliable. You might decide on a family member, a child, a business associate or a financial advisor.

Executor. Your executor is the person (or institution) you name in your will to manage your estate and carry out your wishes *after* your death. An executor, unlike a trustee, is “under the supervision of the court,” and must obey the state laws.

Being named executor may or may not be considered a compliment and it can be considered a burden. Consider someone in whom you have complete confidence, who is well organized, someone who knows you, but does not have a conflict of interest—someone who has the personal maturity to do what has to be done. As is the case with trustees, you can appoint co-executors. You may make a provision to pay your executor.

Your executor and your trustee can be the same person or institution.

NOTE: There are lots of people who want to sell you their services. Be wary of “free” estate planning seminars whose business purpose is to sell legal and financial services.

Health Care Documents—Advance Directives:

You will need two documents: a Health Care Proxy and a Living Will.

It is advisable to have both documents. The person with your **Health Care Proxy or Power of Attorney** is designated to make decisions, based on your instructions, if and when you are unable to speak for yourself. While a **Living Will** specifically outlines your decisions about health care treatment, it does not provide a spokesperson. Together, a health care proxy and a living will can work to make your health care wishes clear and guarantee those wishes are carried out.

1) A Health Care Proxy, also called a Health Care Power of Attorney or Durable Medical Power of Attorney, is a person you appoint to make health care decisions for you if you are unable to make those decisions for yourself. A health care proxy can make sure that health care providers follow your wishes and can decide how your wishes apply as your medical condition changes. Hospitals, doctors and other health care providers must follow this person’s decisions as if they were your own.

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Did You Know?

You can visit www.mystatewill.com to learn what your state does if you die “intestate,” or without a will.

Paperwork You Need

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You may give this person as little or as much authority as you want, i.e. you may allow your proxy to make all your health care decisions or only certain ones. Whoever it is, be sure it is someone you trust to carry out your wishes. You should also consider naming a proxy who lives close to you. If you are terminally ill and unable to make decisions, your proxy might have to spend a great deal of time nearby to see that your wishes are followed.

2) A Living Will serves as a written declaration of your health care wishes when you cannot communicate them

Writing a Living Will:

Make sure:

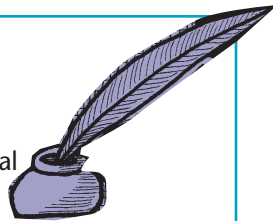
- ✿ The statement of your personal health care wishes is clear.
- ✿ Your name is clearly defined as the person creating the Living Will.
- ✿ You have signed and dated the document.
- ✿ Two witnesses sign and date the document.
- ✿ The witnesses make short statements that you signed the document willingly.
- ✿ You have the Living Will notarized as a safeguard.

After preparing and signing the documents:

- ✿ Make copies of the completed documents.
- ✿ Keep the originals in a safe place.
- ✿ Give copies to your proxy, your attorney or other advisor, close family members, your doctor and anyone else involved in your health care.

Remember both the Health Care Proxy and Living Will:

- ✿ Help to insure that your health care wishes are followed if you are unable to speak for yourself;
- ✿ Can be cancelled by you at any time;
- ✿ Should be discussed with close friends or family members. You may also wish to consult with a professional for assistance in preparing a document.



personally. It explains your health care preferences and instructs your doctor about your end-of-life decisions. You may say something as simple as, “I prefer that all care be directed at comfort and that life-supportive treatments not be used.” Or, you may want to be more precise and describe the medical situations in which you would accept or refuse medical treatment. For example, a **do not resuscitate** order (DNR) makes clear that you do not wish to have cardiopulmonary resuscitation (CPR) to restart your heart and lungs.

(NOTE: A Living Will is not used to name a proxy. You must name your proxy in a separate document—see Health Care Proxy above.)

Resources:

There are numerous sites online with easy to fill in forms and advice. Some require payment and others are free. You will find some examples at the following:

- www.legalzoom.com
- www.TheTrustguide.com
- www.caringinfo.org

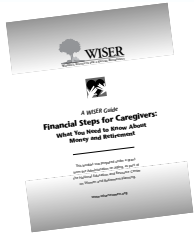
Economic Stimulus Package and Tax Tips

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- ✿ The IRS Volunteer Income Tax Assistance Program (VITA) offers free tax help to low- to moderate-income people. To locate the nearest VITA site to you, call 1-800-829-1040.
- ✿ Direct Deposit: The fastest and most secure way to receive your stimulus payment or tax return is direct deposit. According to the IRS, those who choose direct deposit get their refunds at least *one week sooner*. More than 59 million refunds were directly deposited in 2007—61 percent of all refunds issued.
- ✿ **Split and save that return!** The IRS allows you to split your refund among two or three different accounts, and up to three different financial institutions. It is easier than you’d think: Use IRS’ *Form 8888, Direct Deposit of Refund to More Than One Account*. (Available at www.irs.gov.) Get a head start on saving by sending part of your tax return directly to a savings account.

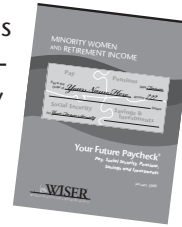
Updated Resources from WISER

Financial Steps for Caregivers: What You Need to Know About Money & Retirement



Caregiving is a difficult task that over 44 million Americans undertake each year. Aside from the emotional costs, there are financial consequences involved with providing care to a relative or friend. A majority of caregivers report making choices—such as reducing hours at work—that can affect their future retirement security. Before you become a caregiver, use WISER's guide to get your own financial house in order. It is a valuable resource that will help you balance the responsibility of caregiving with the need to plan for your own future. To order this booklet, send \$3 to WISER at the address below, or read it online at wiserwomen.org.

Your Future Paycheck: Minority Women and Retirement Income



Retirement planning is important for everyone, but it's especially important—and challenging—for minority women. Despite the overall decline in poverty rates among older Americans in the last few decades, many older women remain poor—and the poverty rate for black and Hispanic women over age 65 is twice that of older white women. WISER's guide contains new data and updated figures, and highlights the need for education and long-term planning on retirement income for minority women. To order this booklet, send \$5 to WISER at the address below, or read it online at wiserwomen.org.

WISER's Mission

To improve the long-term financial security of all women through education and advocacy. As the only organization to focus exclusively on the unique financial challenges that women face, WISER supports women's opportunities to secure fair pensions and adequate retirement income through research, workshops, and partnerships.

Next Issue:

- ▣ **Less financial stress in a stressed economy: Five steps to take to prepare for difficult times**

WISERWoman

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