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# IPE Insights

Investments - Planning - Education

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Welcome  
FALL!!



JIM'S JOURNAL

## A Current Look at Long Term Care Options

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One of the themes that I frequently discuss with both new and existing clients is the need for a holistic approach to financial planning. The end goal of planning for many individuals is to achieve a comfortable retirement and to have your money last as long as you do. Achieving a lasting retirement requires addressing the “big five” of planning: investments, insurance, tax planning, retirement planning and estate planning. It is not unusual for many individuals to solely focus on investment returns in planning for retirement. Investment returns are important but the real question about returns should be, “How much do I end up with in my pocket and then how much will my heirs end up with.” That is a much more encompassing question than simply asking what my rate of return is.

However, even great investment returns will usually not be enough to cover one of the most neglected issues of retirement planning: the need for long term care (LTC). The statistics tell us that if we live long enough, almost everyone will need some type of assistance before we pass on. Most retirement budgets do not include a provision for the additional \$70,000+ that might be needed for nursing home care or other 24 hour assistance. It is in light of this problem that I present this article written by long term care specialist, Nyal Bischoff. I have known Nyal for several years now and he has an outstanding knowledge of long term care issues. If LTC has not been addressed in your plan, please give Nyal or myself a call. The second page of this newsletter continues the list of resources for caregivers that we began in the July newsletter. In closing, the beauty of autumn is soon to be upon us. I hope that you will enjoy nature's paintbrush. Take good care!!!

## The GOOD, the BAD, the UGLY and the NOT OBVIOUS by Nyal Bischoff

Understanding the complexities of extended care insurance can be a daunting task in today's world of traditional, hybrid and linked benefits programs. Do they comply with Section 7702b or Section 101g of the tax code? However, that does not negate the importance of carefully scrutinizing this critical protection. Ask any estate planning attorney “What will an unexpected change in health (at any age) that requires care do to the most well-constructed retirement plan?” They will answer “TRAINWRECK!!” or “CRISIS MANAGEMENT!!” Sadly it's “PREVENTABLE”. The only thing worse than needing care is having to pay for it. That's UGLY.

Now here is what is BAD. The traditional LTCI industry created a self-inflicted black eye during the first 30 years of its existence which has earned it waves of negative press releases for rate increases. The net effect to the public is that it has created the suspicion there is no affordable coverage.

Here's what is GOOD. Next generation plans have been introduced that have baked into them higher claims expectations, lower lapse rates and today's much lower interest rate environment along with more rigid underwriting requirements, all aimed at correcting the mistakes of the past.

NOT OBVIOUS. There are a multitude of affordable ways to own protection!

Do you have an HSA? LTC can be funded with that money. Do you have competing demands for discretionary money going for college funding or retirement? Innovative plans are here allowing you to lock in your good health at a young age with the flexibility to buy more benefits later even if your health changes. Do you own a business? (LLC, C-Corp, Sub-s or sole proprietorship) You may be able to deduct a portion or all of the premium through that business. Are you at least 59 ½? You can fund LTC with IRA/401k money you already have. Want a spouse or family member to be a paid caregiver? There are programs for you. Want a program that will pay for care if you need it, give your estate tax free money if you don't use it, and give you your money back if you change your mind? Plans are available. Are you near or already age 70 ½ and dealing with RMD? (Required Minimum Distribution) Do you have an annuity with lots of taxable build up or cash values in a life insurance policy? Learn how to turn that money into tax free protection. Want the policy to go to your son or daughter if you don't use it? Plans exist. Are you aware of the newest plans available for those that wish to “self-fund” this expense?

INFORMATION now is POWER later!! So act now to prevent CRISIS MANAGEMENT. You didn't own life insurance with the expectation of leaving this world quickly or fire insurance with a picture in your mind of a charred teddy bear saved in the front yard. You owned these coverages because you loved someone enough to protect them from your untimely demise or a fire. Those were great gifts. THERE IS NOT A BETTER FINANCIAL OR EMOTIONAL GIFT YOU CAN GIVE SOMEONE YOU LOVE THAN EXTENDED CARE PROTECTION. There are plenty of options you can explore. So stop procrastinating and call your advisor so that you can check this off your bucket list and face retirement worry free on this topic because there is an ancient saying – “The Truth Will Set You Free!!”

Since 1988 Nyal Bischoff has specialized exclusively in long term care insurance helping thousands of people in Michigan protect their life savings from the high cost of care. As an independent agent he represents all the top carriers in both the traditional and hybrid long term care markets and is skilled at helping people navigate this complex area critical to a complete financial plan. You need facts to make an informed decision. Explore your options. Nyal can be reached at 248-828-8304 or [nyal@comcast.net](mailto:nyal@comcast.net).

*Disclaimer: This newsletter is written for general information purposes only and should not be considered specific investment advice. Please make an appointment to discuss recommendations for your personal financial plan.*

# The Care Act

## **MICHIGAN RESOURCES** (continued from August Newsletter)

### **Assistive Technology**

#### **AARP Home Fit**

AARP Michigan works with volunteer occupational therapists to offer HomeFit workshops to help older adults determine what changes they may need to make in their homes to age in place safely.

Visit [www.aarp.org/MI](http://www.aarp.org/MI) to find out about HomeFit workshops near you. To order or download a free HomeFit guide visit [www.aarp.org/livable-communities/info-2014/aarp-home-fit-guide-aging-in-place.html](http://www.aarp.org/livable-communities/info-2014/aarp-home-fit-guide-aging-in-place.html).

### **Utilities**

#### **Michigan Public Service Commission (MPSC)**

Various programs are available to assist older adults having difficulty paying their gas, electric, or telephone bills. Many utility companies also allow customers to designate a third party—such as a family caregiver—to receive a copy of any shutoff notice that may go out to help ensure that a shutoff notices does not go unseen. To learn more about what's available in your area, contact your utility directly or contact the MPSC.

Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc).

For inquiries or complaints, call 1-800-292-9555 (Monday-Friday, 8:30 a.m.—4:30 p.m., excluding state holidays).

## **NATIONAL RESOURCES**

The national resources below provide valuable information and can connect you to programs and services in your state and local community.

### **Alzheimer's Association**

Information and support for people with Alzheimer's disease and their caregivers. Operates a 24/7 helpline and care navigator tools. [www.alz.org](http://www.alz.org) or call 1-800-272-3900.

### **Alzheimers.gov**

A free federal information resource about Alzheimer's disease and related dementias. [www.alzheimers.gov](http://www.alzheimers.gov).

### **ARCH Respite Network**

The ARCH National Respite Network includes the National Respite Locator, a service to help caregivers and professional locate respite services in their community. [www.archrespite.org](http://www.archrespite.org).

### **Caregiver Action Network**

Information, educational materials, and support for family caregivers. [www.caregiveraction.org](http://www.caregiveraction.org).

### **Eldercare Locator**

A public services of the U.S. Administration on Aging that connects caregivers to local services and resources for older adults. [www.eldercare.gov](http://www.eldercare.gov) or call 1-800-677-1116.

### **Family Caregiver Alliance**

Tools and resources for family caregivers, including the Family Care Navigator, a state-by-state list of services and assistance. [www.caregiver.org](http://www.caregiver.org) or call 1-800-445-8106.

### **Medicare**

Provides information about the Medicare program and how to find Medicare plans and providers. Caregivers will also find a tool on the website to compare home health care agencies and nursing homes. [www.medicare.gov](http://www.medicare.gov) or call 1-800-633-4227.

### **National Academy of Elder Law Attorneys**

A professional association of attorneys who specialize in legal services for older adults and people with special needs. Find a database of elder law attorneys by state. [www.naela.org](http://www.naela.org).

### **The National Clearinghouse for Long-Term Care Information**

Information and tools to help plan for future long-term care needs. [www.aging.gov](http://www.aging.gov).

### **Social Security Administration**

Information on retirement and disability benefits, including how to sign up for Social Security. [www.ssa.gov](http://www.ssa.gov) or call 1-800-772-1213.

### **Veterans Administration**

Provides support and services for families caring for veterans. Connects caregivers with local caregiver support programs for veterans. [www.caregiver.va.gov](http://www.caregiver.va.gov) or call 1-855-260-3274.

**More Resources to follow in October IPE**