

\*\*\*\*\* Seniorresource.com E-zine \*\*\*\*\*  
October 2004

---

## SPONSORS OF THIS ISSUE

[Financial Freedom Senior Funding Corporation](#), a subsidiary of IndyMac Bank, FSB, offers reverse mortgages for house rich/cash poor seniors (62+), and as an instrument for estate planning for the wealthy.

[The Hartford Auto Insurance](#) in conjunction with AARP offers competitive rates for seniors - click to visit, letting them know you learned about them here.

---

This E-zine is FREE. [Get your personal copy delivered once-a-month by subscription!](#)

---

### CONTENTS

#### CONTENTS

- A. [Given A Choice, Where Would You End Your Days?](#)
- B. [Use Nutrition To Decrease Depression](#)
- C. [Picking The Right New Home](#)
- D. [More 2006 Drug Benefit Concerns](#)
- E. [Did You Know?](#)
- F. [Thought For The Day](#)
- G. [FREE](#)
- H. [Special Surfing Sites](#)
- I. [Oh My Aging Funny Bone](#)

---

Our present [Survey](#) is waiting for your input! Your privacy is respected. We don't capture your email or plant code in your computer. We receive only the answers you provide. It helps [seniorresource.com](#) and our clients serve you better by knowing "you" collectively!

---

## A. GIVEN A CHOICE, WHERE SHOULD YOU END YOUR DAYS?

Based on an article in Money & Investing, Forbes Magazine, 3.15.04 by Ashlea Ebeling

When we were young we imagined ourselves dying on a tropical island with admirers of the opposite gender fawning about us. The scene is right out of a Paul Gauguin. Now that we are older and wiser has the vision changed? Should it?

If you've talked to an Elder Law attorney or estate planner lately his advice could be to move to Florida. Not just a tropical paradise but a state with no claim on your estate after you die. That means your estate will only fork over money to the feds upon your death, and the estate taxes owed in other states of the union will pass to your heirs per your wishes. That means, the larger your estate the more money will be saved if your final state of residency is Florida.

"Until 2001 most states imposed only a painless state 'pickup' estate tax. Since an estate got a 100% credit against its federal estate tax bill for this pickup tax, the state levy was almost invisible," wrote Ashlea Ebeling. "As part of the 2001 tax cut, it raised the exemption from federal estate taxes and lowered estate tax rates. But it financed the federal breaks in part by cutting the credit for state taxes paid--to 75% of state taxes in 2002, 50% in 2003, 25% in 2004 and 0% in 2005. That left states a hard choice: Forgo estate tax revenue or impose an estate tax that would cost real money and might drive wealthy folk away."

The good news for your heirs if you die while a resident of 25 states the state will collect only the amount of estate tax for which the feds give a credit, or that amount equal to the federal limits. (i.e. in 2002 the feds gave 75% credit for state death taxes paid, 50% in 2003, 25% in 2004 and in 2005 the credit is zero.) In 2005, the 25 states will collect no death taxes.

The 25-heir-friendly states are: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Michigan, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Dakota, South Carolina, South Dakota, Texas, Utah, West Virginia, Wyoming .

Residents and perhaps those who own property in other states could have expensive impacts on their estate.

The other half of the states have varying levels of estate and inheritance taxes. Some have chosen not to follow the federal increased level for estate inheritance exemption. The federal law raises the exemption level pre-2001 of \$675,000 in increments to \$3.5 million in 2009. Some states have set exemptions from estate taxes lower than the feds making even smaller estates liable for taxes. Other states have capped exemptions at \$675,000 (New Jersey, Rhode Island and Wisconsin.) Other states impose inheritance taxes based on the relationship between the heirs and the deceased. Others impose taxes on an estate in excess of the

property value held in that state on out of state owners (i.e. New York).

About now you wonder why we're not being specific about the state where you expect to reside when you die. While we gathered information, wrote it and it reached your mail box states are looking at legislating changes to their taxation formulas. With states running deficits due to lower income taxes collected, increased security costs and other expenses, inheritance tax is on the table as a cash cow.

Planning is the best defense against surprises to your heirs' estate. Only a professional tax or Elder Law attorney or CPA, can tell you which state in the Union will be most advantageous for your heirs to process your estate. They may be able to structure "deathbed" gifts that save state death taxes, but not federal transfer taxes.

i.e. George gifted his grandson enough money to finish college and medical school when he was diagnosed with a terminal illness. Because of his grandson's low tax bracket the gift of \$500,000 was subject to gift tax above the \$11,000 yearly permitted amount, but that amounted to less than the tax obligation would have been for were the money inherited after his death when state and federal taxes were combined. (This example may apply in Indiana, but not other states.)

A professional may recommend structuring a line of credit triggered by you (or the one who has durable power of attorney over your estate) when you are close to death. The inherited debt could be used to offset profits from inherited appreciated assets due to a deathbed gifting.

Complicated? That's why this article is for informational purposes only. Food for thought, so to speak, and not meant to replace obtaining advice or guidance from professionals.

\*\*\*\*\*

[Find an Elder Law Attorney in your state](#) or [try this affiliate source](#).

Also check [income tax levels in different states](#).

---

## **B. GOOD NUTRITION CAN DECREASE DEPRESSION**

[Phyllis Slater](#)

As we face the coming holiday season keeping alert to what we eat and why can help us fare better. For some elders the loss of family and friends leaves them with less festivities to look forward to and perhaps the craving to indulge themselves with food. But eating wisely is no easier for those who will have many social gatherings on the calendar. For both, keeping in mind wise eating habits can help avoid depression - not just by avoiding weight gain which can

lead to self-loathing caused by weight-gain but bad nutrition can also affect ones mood more directly.

Phyllis Slater an ElderCare Consultant shares the following facts for avoiding or reducing depression as age changes our nutritional needs and how our body utilizes what we eat.

Poor nutrition can open the door to depression. Eat plenty of the following and it could lead to a better feeling of well-being.

1. FIBER is an important nutritional component because it helps prevent constipation. Men over 50 should consume 30 grams of fiber each day and women should get 21 grams. Good sources of fiber include whole-wheat bread, legumes, brown rice, dried and fresh fruit, cooked vegetables, tomatoes, cabbage, and high-fiber cereals. Mix up your own "trail mix". All bran cereal (no added sugar), walnuts and small amount of raisins. The health benefits are great and its easy to use for breakfast or mid-day snacks.
2. VITAMIN B5 helps with brain activity. Women over 50 should consume 1.5 milligrams daily, and 1.7 milligrams for men. The best sources of Vitamin B5 are baked potatoes with skin, bananas, chicken, beef, liver, canned tuna, grains, seeds, legumes and dried figs.
3. VITAMIN B12 promotes balance and mental and muscular function. All ages should consume 2.4 milligrams daily. However older adults may have trouble absorbing the vitamin so seniors should take a B12 supplement or eat animal foods rich in this vitamin and B12-fortified cereal and grain products. The trail mix suggested above could be a good way of getting the extra B12 boost.
4. VITAMIN D allows the body to absorb and metabolize calcium. Those 51 through 70, should consume 400 I.U.(International Units) daily (200 I.U. for under 50) and seniors over 70 should get 600 I.U. daily. Vitamin D is found in yogurt, margarine, soy and cow's milk and some cereal.
5. FOLATE, a B VITAMIN, helps guard against heart disease and promoted better brain function. You should get 400 micrograms daily. Good sources of folate include legumes, green leafy vegetables, tomatoes and fruits such as oranges and cantaloupe. All flour and grain foods produced in the U.S. are fortified with folate.

Note: Some vitamins in high amounts can reduce the effectiveness of prescriptions. Check with your doctor before starting on a regime of vitamins that exceed the federally recommended allowances.

---

## C. Picking The Right New Home

## Courtesy of New Lifestyles

There are many times during one's lifetime when natural developmental stages or passages are experienced: childhood, adolescence, adulthood, retirement and post retirement. Stress and anxiety generally accompany these stage-transitions. Perhaps none is more complex and difficult than where you, a friend, or a family member, should be living in later life. Changes in physical functioning, mental capabilities, life interests, finances and social support all affect what type of location is appropriate and most importantly where a senior individual is ultimately going to be the most content or happy. As with other transitions cost plays a role. In retirement years nest eggs wisely deposited where they are less at risk often shrink with longevity.

Making a good decision regarding where a senior loved-one should choose to live can be difficult. Don't wait until there is a crisis to gather information. The best decisions are usually made without time pressures. Incorporating the help of friends and relatives not only gives one the opportunity to share the work of a search and subsequent move but also provides a ready support group to discuss what the move means to each of them.

By systematically considering available choices, you can compare the strengths and weaknesses of various options. It is important to try to be as open and honest as possible about what is absolutely needed or really wanted versus things that are open to compromise and negotiation.

Know the Personal Likes and Dislikes A small, home-like residence which gives individual attention and care may be ideal for one senior and hated by another. Sometimes the ability to continue with a hobby or have a pet accompany the relocating senior will guide all the decisions that need to be made. Take genuine stock of what is most important in your senior loved one's life and make sure this can be addressed, if at all possible.

Know and Visit the Various Choices Make sure that you look at the options from the point of view of the individual who will be living there. After a scheduled tour and gathering of general information make an unscheduled drop-in stop later to see if there are any differences. Pay special attention to the convenience of: location, visiting hours, visiting areas, food, types of care rendered, ancillary services, staffing, personality of staff, daily activities, cleanliness of the environment, religious activities and safety/security issues. Don't be afraid to make as many trips back as necessary to get all your questions and gut feelings answered.

## Quality vs. Cost

It can be difficult to find a comfortable balance between the two. Don't forget to ask questions and look into state or federal assistance which may help. Find out what the policy of the residence or facility is if savings or funds of an individual were to be exhausted. Even though these questions may be difficult to ask or make you feel embarrassed, it is something that people who work at senior facilities with the elderly deal with quite comfortably. Also, they may have some excellent suggestions or be aware of alternative programs to investigate.

Sometimes the level or type of care an individual needs can fluctuate frequently. This may also need to be considered in making a relocation decision, along with any other future needs.

### Plan the Move

The speed at which the actual change needs to take place can vary. Sometimes a trial stay or keeping two residences for a short period is possible. Obviously, the more crisis-based the decision, the less likely it is that everyone will have the time necessary to adjust. Remember that paid storage space can be obtained for items when it is too overwhelming to make final decisions on possessions within a short time frame.

### Adjustment Period

When faced with a major life change there comes with it a need to find a new equilibrium. Assisting with another's adjustment to change can be both exhausting and rewarding when done responsibly. There is an opportunity to use this time to establish a pattern for cooperative understanding among loved ones working toward a mutual goal and to learn more about oneself and each other. The bittersweet nature of warm memories and simpler tomorrows should not be undersold as unimportant to the transitional milestone process. Home is truly where the heart is and it is important for everyone to feel comfortable with how and where they live. Try to be patient with your emotions and those of people around you. Give new arrangements time to become comfortable.

Making a move can be difficult, even painful, especially later in life. The assistance of an outside party or professional may help with either making the decision itself or with the emotional consequences. Life passages can bring up both pleasant and painful memories from the past. Don't be afraid to get the necessary support so a move can be successful. And whatever path is chosen, make the most of it.

\*\*\*\*\*

Go to [http://www.newlifestyles.com/enter\\_SeniorResource.cfm](http://www.newlifestyles.com/enter_SeniorResource.cfm) and obtain a free issue of New Lifestyles in the state/community under consideration for a relocation.

---

## **D. 2006 DRUG BENEFITS REVISITED**

Senior officials in the Department of Health and Human Services (HHS) and Medicare representatives in talks to educate seniors about the new Medicare Drug Benefit law (taking effect in January 2006) have publicly said the Medicare law provides for reimbursement to employers who provide retirees with drug benefits "equivalent" to the ones the new bill will provide individually to seniors. At the same time they say they expect 4 million of the 11 million retirees presently in employer plans will have their benefits impacted (cut or eliminated) when the law goes into effect.

Reimbursement of employers meeting the government standard of service was meant to encourage employers presently providing drug benefits to pensioners to continue providing them. But to qualify for reimbursement employers will have to subject their retirement programs to certification that their retiree drug benefits are at least equal to what the standard Medicare benefit will provide in order to receive the subsidies.

In fact, private pension coverages may meet those standards, yet Frank B. McArdle, of Hewitt Associates a benefits consulting firm, says all but the largest firms providing drug coverage to pensioners will decide to discontinue medical benefits. Companies are expected to feel that having Medicare evaluate their program will be too cumbersome and hence can be expected to drop drug coverage for retirees rather than go through the government hoops. Only "the largest employers whose main concern is to minimize disruption to their retirees" are the one most likely to continue the present level of drug coverage for retirees, said McArdle. The standard Medicare drug benefit worth about \$1,200 a year is structured with a large gap(or doughnut hole) in coverage when the beneficiary must pay all drug costs. This is quite different from the type of drug benefit typically offered by employers. How will the government evaluate the difference in structure?

Employers who do not qualify for subsidized government assistance also might continue to provide drug benefits. But will there be enough incentive for them to do so? Under the Medicare law, the government will pay a subsidy equal to 28% of drug costs from \$250 to \$5,000 a year for any retiree who has employer-sponsored drug coverage as generous as the standard Medicare drug benefit. The subsidies will be tax-free to employers, who can still take tax deductions for the cost of retiree health benefits.

From <http://www.caregivershome.com> newsletter 7/21/04 \*\*\*\*\*

A little publicized section of the new Medicare bill (already in effect) can help pre- retirees pay for drugs with pre-tax dollars\* if they can plan ahead. It permits the establishment of a Health Savings Account (HSA's) which will combine a high deductible health insurance policy (\$1,000 a year or more) and a medical savings account funded with tax-deductible contributions equal to the cost of the deductible. The HSA is set up similar to an IRA, with the amount contributed to the account deductible ABOVE THE LINE, or directly from income. It can benefit any taxpayer, although retirees are less likely to be in a position to contribute new cash into a savings program like an IRA or an HSA than are those still employed. An HSA is a trust account that belongs to the participant. The IRS anticipates that the same organizations that manage IRA accounts: banks, brokerages and insurance companies will offer HSAs.

Whereby the "normal" medical expense deduction only benefits those who itemize expenses and have medical expenses that exceed 7.5% of their adjusted gross income, an HSA takes tax-free money and puts it aside for future medical expenses and saves the HSA contributor taxes. The money deducted from an HSA to pay medical expenses is taken out of the HSA tax

free. It can include non-prescription drugs, long term care insurance premiums, nursing home costs and long term care expenses.

\*From Topica Newsletter: Trust & Estate Planning News No. 13, July 20, 2004 at ep-news@topica.email-publisher.com

Offered for informational purposes only. Medicare and financial information is not meant to replace advice from your financial advisor, CPA or elder law attorney.

\*\*\*\*\*

With seniors still looking for ways to save cost on medications through mail order purchases in Canada we offer precautions. Be well informed about differences in companies offering mail order purchases from Canada. One way to become informed is through the "Smart Seniors Guide". It explains the steps to take to ensure you are purchasing safe and reliable prescription medications from Canada. To purchase the book, (and get a coupon for the full cost of the book - \$25 - to apply toward your first prescription purchase from Canada ) go to <http://www.seniorresource.com/states.htm> click on your own state, and then on "Drug Savings Programs". You'll see the "Smart Seniors Guide" ad, as well as an offer for a drug savings card for purchases from your local pharmacy, in case after reading the guide you're not sure you want to buy prescription drugs from Canada.

---

## E. DID YOU KNOW...

You are supposed to notify Social Security if you plan to be out of the country for more than 30 days. Find out more about Social Security at <http://www.seniorresource.com/insur.htm>

\*\*\*\*\*

An average American has watched more than 2 million television commercials and been exposed to 136,692,500 ads by the age of 65 (July 2004 in the San Diego Union- Tribune). No wonder they don't have enough money to last the rest of their life! \*\*\*\*\*

Even if you set your phone not to reveal your number when you call someone (by dialing \*67 before dialing the call) the blocking does not work when you call a toll free number (800, 877, 888). How can you prevent them from using collecting and using your number? The choices you have are:

- Ask them not to share your number with others.
- Use their regular number from which you number can be blocked.
- Use a pay phone when calling a toll free number.

\*\*\*\*\*

A good piece of chocolate has about 200 calories. As I enjoy 2 servings per night, and a few more on weekends, I consume about 3,500 calories of chocolate in a week, which equals 1 pound of weight per week.



Therefore, in the last 4 years, I have had chocolate caloric intake of about 208 pounds, and I only weigh 165 pounds.

So...without chocolate, I would have wasted away to nothing several months ago!

I owe my life to chocolate.

(From the newsletter of G. Pederson, computer trainer and founder of the SD Senior's computer club.)

\*\*\*\*\*

If you sell a residence and expect to use the \$250,000 (\$500,000 for a couple) profit exemption on your income tax obligation, know that your accounting of what is profit goes back to include deferred gains (or profit) from the sale of prior residences. Therefore, the adjusted cost basis of your present home is the purchase price plus the cost of improvements, minus all the deferred gains from prior home sales. As with your present home, deferred gains refers to the purchase price plus improvement costs subtracted from the home's sale price.

---

## F. THOUGHT FOR THE DAY

There's only one way to avoid getting old, and that is to die young. The point is to die young, but as late as possible.

Dr. Ashley Montague

---

## G. FREE

["Travel 50 & Beyond" is offering a FREE issue. Articles include benefits unique to their age-target market and hints to make the travel years ahead more fun.](#)

---

## H. SPECIAL SURFING SITES

[The Office of Disease Prevention and Health Promotion](#) offers an array of health related information from eating right to disease avoidance and coping and disability articles.

\*\*\*\*\*

Those 60+ with incomes at or below 185% of the Federal Poverty Guidelines (which in 2004, is \$9,310 for a one-person household and \$9,310 X 185% or \$26,565 for a two- person household) may qualify for nutritional food subsidy's to be used at authorized farmers markets and roadside stands. [Access the list of state agencies which offer the coupons.](#)

\*\*\*\*\*

The [national site of meal-service organizations](#). has the common mission to :

Raise volunteers for local senior meal projects like Meals on Wheels.  
Help people find services for themselves or for parents that may live many miles

If you cannot find services through their site, an email to their staff is supposed to be able to give you a local contact within 24-48 hours.

\*\*\*\*\*

There are so many types of annuities, what does a child due to learn the terms of their parents' old annuity? Step one is to come up to speed on understanding the categories of insurance instruments available that are called annuities. [Start here](#).

---

## I. OH MY AGING FUNNY BONE

An elderly couple lived near the ocean and used to walk the beach a lot. One summer they noticed a girl who was at the beach pretty much every day. She wasn't unusual, nor was the travel bag she carried, except for one thing. She would approach people who were sitting on the beach, glance around, then speak to them. Generally, the people would respond negatively and she would wander off, but occasionally someone would nod and there would be a quick exchange of money for something she carried in her bag. The couple assumed she was selling drugs and debated calling the cops, but since they didn't know for sure they just continued to watch her.

After a couple of weeks the wife asked, "Honey, have you ever noticed that she only goes up to people with boom boxes and other electronic devices?"

He hadn't and said so.

Then she said, "Tomorrow I want you to get a towel and our big radio and go lie out on the beach. Then we can find out what she's really doing." Well, the plan went off without a hitch, and the wife was almost hopping up and down with anticipation when she saw the girl talk to her husband and then leave. The man walked up the beach and met his wife at the road.

"Well, is she selling drugs?" she asked excitedly."

No, she's not." he said, enjoying this probably more than he should have.

Well, what is it, then?" his wife fairly shrieked.

The man grinned and said. "Her name is Sally and she's a battery salesperson."

"Batteries?" cried the wife.

"Yes" he replied.

"Sally sells C cells by the Seashore."

[Send your jokes pasted into the body of the email, not as an attachment](#)

---

Please note: if you fill out an interactive form you are leaving behind a trail with us that contains ONLY WHAT YOU HAVE TYPED. WE WILL NOT SHARE YOUR EMAIL OR INFORMATION WITHOUT PERMISSION.

[Subscribe a friend to this monthly E-zine.](#)

---

## SPONSORS INFORMATION

[Financial Freedom Senior Funding Corp](#) a Subsidiary of IndyMac Bank, FSB, is solely responsible for information they provided herein and on their site.

[The Hartford Auto Insurance](#) is solely responsible for information provided herein and on their site.

\*\*\*\*\*

Copyright 2004 seniorresource.com, LLC ALL RIGHTS RESERVED. Information in this document is subject to change without notice. Other products, service and companies named herein are trademarks or registered trademarks of their respective companies or mark holders and solely responsible for the content of their articles. Articles are included for informational purposes and are not an indorsement.

\*\*\*\*\* This Copyright E-zine may be forwarded to others only if sent in its entirety. Other uses are subject to written permission of the publisher seniorresource.com, LLC P.O. Box 781 Del Mar, CA 92014-0781 Toll free: 877.793.7901 [ezine@seniorresource.com](mailto:ezine@seniorresource.com)

Hartford Auto Insurance is solely responsible for information they provide herein and on their website. [Contact them at your own state information](#) at Insurance: Auto get a cost effective quote.

[Smart Seniors Guide](#) is solely responsible for information they provide herein, on their website

and in their guide.

---

Copyright 2004 seniorresource.com, LLC ALL RIGHTS RESERVED. Information in this document is subject to change without notice. Other products, service and companies named herein are trademarks or registered trademarks of their respective companies or mark holders and solely responsible for the content of their articles. Their articles are included for informational purposes only.

---

This Copyright E-zine may be forwarded to others only if sent in its entirety. Other uses are subject to written permission of the publisher seniorresource.com, LLC  
858.793.7901  
Toll free: 877.793.7901  
ezine@seniorresource.com