THE Senior Guardian™

Information for today's changing times

Newsletter for Santa Clara County ▪ September 2015 ▪ Courtesy of SarahCare of Campbell

Avoid Budget Blunders

by S.K. Schwartz

Your best financial intentions for wise savings and spending are easily sabotaged by budget blunders. Consider using acts of financial self-preservation and enlightenment.

● **Spending more than you earn -** It's the cardinal rule of household budgeting - - live within your means. Living with less begins with changing your spending philosophy. Resist reckless spending and, don't 'take another vacation until you've got the money in the bank.

● **Cut out unnecessary stuff -** All budgets should allow for entertainment. Add up how much you spend each month. If the total is more than 10 percent (5 percent is ideal) of your total household budget, it's time to scale back. But don't blunder by eliminating recreation altogether or your best-laid plans will eventually self-destruct.

● **Manage your savings -** Slow and steady wins the race. Once you've determined how much of your monthly income can be allocated to short-term and long-term savings - - make your deposits consistent by using automatic payroll deductions.

● **Overuse your debit cards –** Money doesn't grow on trees - - but debit cards sure fuel that impression. Allot yourself a specific amount of cash for purchases during the week. Put spending habits in perspective. *Think* before making that impulse buy.

● **Live without emergency savings –** If you haven't set money aside for a rainy day – you're one job loss or illness away from financial ruin. Most consumers should save between three and six months' worth of living expenses in a liquid interest-bearing account.

● **Paying only the minimums on cards –** There's no better way to perpetuate debt than to carry a credit card balance. Making *only* the minimum monthly payments could cost you thousands in interest fees. Send as much as you can to your credit card company each month.

Source**:** Bankrate

Medicare Mistakes

by Robert Carlson

Carefully read the paperwork that comes with your Medicare premium notice.

◘ **Thinking that your social Security retirement age is the same as your Medicare-enrollment age -** Over the years, the age at which people become eligible for "full' retirement benefits has increased. If you were born between 1943 and 1954, for example, your full retirement age is 66, not 65. Trouble is that many people think this full retirement age also applies to Medicare.

◘ **Thinking that it doesn't matter which option you choose to pay for Part B -** Medicare enrollees can have their Part B premiums automatically deducted from their social security benefits or they can pay for them separately. What most people don't realize is that paying with Social Security deductions could save money.

◘ **Thinking that you don't need to sign up for Medicare as long as you're covered by an employer -** People who are covered by group health insurance plans when they turn 65 - - either through their employers or their spouse's employers - - often assume that they do not yet need to sign up for Medicare. *But* this is correct *only* if the employer has 20 or more employees.

◘ **Not realizing that a high income you had a few years ago could unnecessarily increase your Medicare premiums this year** - The Medicare system imposes higher Part B and Part D premiums on people who have modified adjusted gross income above $85,000 ($170 for married couples filing jointly).

Source**:** Bottom Line

THE Senior Guardian™

Information for today's changing times

Newsletter for Santa Clara County ▪ September 2015 ▪ Courtesy of SarahCare of Campbell

Surprise Medical Bills

by Walecia Konrad

In many medical cases - - people just pay figuring there is nothing else they can do.

Stay in network - This is really the best way you can avoid extra charges. In many cases, particularly emergencies, you do not have a choice. But often patients will go to an outside doctor because of reputation or a recommendation. There may very well be a professional who is just as qualified in your network. Then you can be sure the cost will be fully covered.

Double-Check - The first time you visit a doctor, always call and verify that he or she is indeed in your network. Web sites can be outdated and mix-ups do happen. Make sure before you are admitted to an in-network hospital that you will be treated by doctors and providers who are in your network.

Negotiate upfront – If you know you must go out of network, be ready to talk money *before* you receive treatment. Keep in mind that insurers pay according to what they deem are "usual and customary" fees. If you want to use an out-of-network hospital, get pre-approval from your insurance company for all of the charges involved.

Negotiate afterward, too – When confronted with a bill containing extra charges, *do not hesitate* to call the doctor and discuss payment. Ask why he or she feels the insurance payment is not sufficient and why you were not informed of the excess ahead of time.

File an appeal - If you feel your insurance company is allocating too little toward your health care provider's payment and you are shouldering too much of the fee - - consider using a *formal appeal* that asks your insurance company to pay more. This is especially true if you can justify the extra fee.

Source: The New York Times

Retirement Planning

1. Save as much as you can as early as you can. Though it's never too late to start, the sooner you begin saving, the more time your money has to grow. Gains each year's build on the prior years.

2. Set realistic goals. Project your retirement expenses based on your needs, not rules of thumb. Be honest about how you want to live in retirement and how much it will cost.

3. A 401(k) is the best ways to save for retirement. Contributing money to a 401(k) gives you an immediate tax deduction, tax-deferred growth on your savings, and a matching contribution from your company.

4. An IRA also can give a tax-advantaged boost and offer tax breaks. There are two types**:** a traditional IRA offers tax-deferred growth, and a Roth IRA doesn't allow for deductible contributions but offers tax-free growth.

5. Focus on your asset allocation more than on individual picks. How you divide your portfolio between stocks and bonds will have a big impact on your long-term returns.

6. Stocks are best for long-term growth. Stocks have the best chance of: achieving good returns over long periods; help ensure that your savings grows faster than inflation; and increasing the purchasing power.

7. Don't move too heavily into bonds, even in retirement. Many retirees stash most of their portfolio in bonds. However, over time, inflation easily can erode the purchasing power of bonds' Interest payments.

8. Make tax-efficient withdrawals. Once you're retired, your nest egg assets can last several more years if you draw on money from taxable accounts first and let tax-advantaged accounts compound.

9. Working part-time in retirement can help in more ways than one. Working keeps you socially engaged and reduces the amount of your nest egg you must withdraw annually once you retire.

10. Get mileage out of retirement assets. You might consider relocating to an area with lower living expenses, or transforming the equity in your home

Source**:** CNN Money

THE Senior Guardian™

Information for today's changing times

Newsletter for Santa Clara County ▪ **September 2015** ▪ **Courtesy of SarahCare of Campbell**

~ ~ *Staying Healthy* ~ ~

by Henry S. Lodge, MD

The mythical fountain of youth discovered? Here are a few new habits that could add years to your life.

1. How many hours per week do you exercise?
Ideal: At least 2.5
Why it matters. If you log two-plus hours of physical activity a week, you're up to 30 percent less likely to die in the next 20 years.

2. What is your total cholesterol level?
Ideal: Less than 200 mg/dl
Why it matters. 240 mg/dl and your risk is twice that of someone with levels below 200.

3. How much fiber do you eat per day?
Ideal: 25g
Why it matters. For every 10 grams of fiber you add to your diet, you cut your risk for coronary death by 17 percent.

4. How many hours of sleep do you get per night?
Ideal: 7 to 8
Why it matters. Snooze fewer than six hours a night and you may by 12 percent more likely to die earlier than if you logged six to eight.

5. What is your blood pressure?
Ideal: Under 120/80 mm/HG
Why it matters. Anything between 120/80 and 139/89 indicates prehypertension which can be reversed by weight-management habits.

6. Do you wear a seat belt?
Ideal: Yes
Why it matters. When drivers and front-seat passengers click in, their risk of fatal injury drops by 45 percent.

7. How many alcoholic drinks do you average per day? Ideal: About 1
Why it matters. Moderate alcohol intake has been shown to lower heart disease risk by reducing plaque buildup.

8. Do you smoke?
Ideal: No
Why it matters. Cigarettes are the number-one preventable cause of mortality in the U.S.

Source: CondeNet

Materials contained herein are for informational purposes only and should be verified by an appropriate professional or agency.

Scam Alert — Citizen Fraud

Why are adults and seniors such attractive targets for con artists?

♦ Many seniors have a "nest egg."
♦ They are less likely to report a fraud.
♦ it's hard for them to remember details.
♦ Many of the poducts appeal to individuals of a certain age - - i.e., anti-aging and health care products, and investments related to retirement savings.

As the population of adults and seniors grows and changes - - many of these individuals have considerable computer skills, so criminals are modifying their targeting skills.

A few basic tips to avoid being victimized:

♦ *Shred* credit card receipts and old bank statements;
♦ Close *unused* credit card or bank accounts;
♦ *Don't* give out personal information via the phone or mail;
♦ *Never* respond to an offer you don't understand;
♦ Talk over investments *only* with people you trust;
♦ Require *all* plans and purchases to be in writing; and
♦ *Don't* pay in advance for services.

Source: Federal Bureau of Investigation