

ClientLine®

AUGUST 2018

WHEN YOU NEED CARE

As America ages, more people are confronting the challenges of finding and paying for adequate long term care. Baby Boomers, in particular, face this challenge on two fronts as they care for aging parents while considering their own potential future care. This potential challenge needn't become a crisis if you prepare accordingly.

WHAT IS CARE?

While some people think of the extreme type of care typically provided in nursing homes, most long term care looks quite different. Care can be as unobtrusive as family, friends or a professional caregiver helping with household chores, cooking or yard work. Or, you might make bathrooms and other areas of your house more accessible as you age without needing the help of others.

The next step up in care may include a visiting nurse. Or consider a community service provider, which could provide meals and activities for you and your peers. Either

approach allows you to continue living in your home. And when more care is needed, assisted living communities are another step up in care. Nursing home care is needed only for the most acute care conditions.

PREPARING FOR CARE

Creating a strategy that deals with several care scenarios may ensure you and your loved ones aren't surprised if and when care is needed. Include family in any discussions about care, detailing who will provide help at which point and how to pay for it.

From a legal standpoint, you will want to consult an attorney to ensure you have a will, powers of attorney for healthcare and financial situations, and an advanced directive. Financially, you may periodically put money away to pay for potential care, consider long term care insurance to help defray some costs or adopt a combination of approaches.

Talk to an insurance professional to learn more about how to prepare for potential long term care expenses.



Karen Petrucco

Account Manager

125 Wolf Road, Suite 407
Albany, NY 12205

Tel: 518-870-1082

Toll Free: 800-243-5334 ext.505

Fax: 800-720-0780

kpetrucco@ltmclientmarketing.com
www.ltmclientmarketing.com

Workplace Benefits

As open enrollment nears and companies review their employee benefit offerings, employers may want to consider the pros and cons of providing employees with access to long term care insurance. And, if you are an employee, you might consider reexamining this benefit if your company offers it.

Apples to Apples

Because the terms of long term care insurance can differ dramatically among policies, you will want to first decide which features are important. Start by choosing a daily benefit — a little is better than nothing. Also decide on the elimination period — the time between when care is needed and when benefits begin. The longer this period, the less expensive the policy typically is. Learn if the policy will pay for home, intermediate and nursing home care.

When you nail down the specifics you want in a policy, work with a financial professional to make the right comparisons.



DUAL BENEFITS

Employee benefits are often beneficial for both the companies that provide them and employees who receive them. When one of those benefits is paid medical or family leave, the loved ones of employees benefit, too – often at a crucial time in their lives. If you're an employer who wants to offer benefits that really matter, consider the following.

EMPLOYER BENEFITS

Companies qualify for a tax credit when they meet certain conditions providing paid family and medical leave. According to the IRS, employers may claim the credit when they have a written policy that offers at least two weeks of paid family and medical leave annually to all

qualifying employees who work full time. This can be prorated for employees who work part time.

Paid leave must provide at least 50% of the wages normally paid to the employee. In return, employers who offer the paid leave receive a credit based on a percentage of the amount of wages paid to a qualifying employee on leave for up to 12 weeks annually.

QUALIFIERS

Employers should be aware of two caveats when offering the paid leave for tax credit. One is that the qualifying employer must reduce its deduction for wages or salaries paid by the amount of credit. The second catch is that the tax credit expires on wages paid starting in 2020.

Qualified events include:

- ◆ The birth and care of a newborn.
- ◆ Adoption or foster care.
- ◆ Caring for a spouse, child or parent with a serious health condition.
- ◆ Certain events involving family members on active duty in the Armed Forces.



Client PROFILE

Jake owns a small company that is increasing business by bolstering its online presence. However, he wonders how to protect his company when cyber-thieves hack even large companies and government agencies. How can he best protect his company?

The Federal Communications Commission offers cyber-security tips for small business, including ways Jake can establish and train employees in the latest cyber-security practices, as well as maintain the latest security software, web browser and operating system. He should also make sure to have a current firewall to protect data in both the office and home.

Because businesses are increasingly mobile, best practices require employees to password protect their devices, encrypt their data and install security apps to prevent criminals from stealing information

while on public networks. If he conducts financial business online, he should work with banks or processors to ensure they use up-to-date tools and anti-fraud services to protect his customers. Changing passwords regularly is also a given.

Check out www.fcc.gov/general/cybersecurity-small-business to learn more, and don't forget to explore how to insure against potential cyber liabilities.

Client Profile is based on a hypothetical situation. The solutions discussed here may or may not be appropriate for you.

RAISE CAPITAL FOR BUSINESS

No matter how long you've been in business, there may come a time when you need to find the capital to fund growth, modernize equipment, increase your marketing dollars or make up for unanticipated cash flow challenges. If your company is in the market for extra cash, you might consider the following sources:

YOUR LOCAL BANK

If you have a history of good business credit, your local bank may offer low-interest loans backed by the Small Business Administration (SBA). Lines of credit at higher interest rates may also be available.

SBDCS

If you don't qualify for a bank loan, check with your local, SBA-sponsored small business development center; they're located throughout the country.

NON-TRADITIONAL FINANCING

If you need to be financially creative, you might consider looking at

higher-interest loans based on outstanding invoices, cash flow and even new equipment and machinery. Other ways to get the money you need might include crowd-funding, family and friends.



LIVING TOGETHER AFTER 50

According to the Pew Research Center, the number of U.S. adults living with a partner continues to rise. While half of the approximately 18 million cohabitants are younger than age 35, almost one in four was age 50 or older. With the number of older Americans living together increasing 75% over 10 years, it's important to consider the financial implications if you are in this group.

PUT IT IN WRITING

Having updated wills and other legal documents is crucial to cohabitants, who don't always have the same legal protections as married couples. This becomes especially important if one or both partners are divorced. Work with an experienced estate planning attorney to make sure you have the safeguards necessary to ensure your wishes are carried out in life and afterwards.

Another way to ensure financial assets pass as you intend is to keep

retirement plan and life insurance beneficiary designations up to date. If you want these assets to pass to your partner, say so in writing.

UNDERSTAND LOCAL LAWS

Not all states recognize common-law marriage, which grants certain rights to an unmarried partner when the other dies. Living together may also affect alimony. Again, consult an attorney to learn how local laws apply to your situation.

.... Q&A

Q I am going back to school for an advanced degree. Can I deduct the costs for continuing education?

A Unfortunately, the deduction for work-related education was among a series of deductions eliminated after the Tax Cuts and Jobs Act of 2017 was enacted, so you can no longer deduct the costs of continuing education. To help defray costs, you might look into tax-advantaged savings vehicles like the Coverdell Education Savings Account (income limits apply) or a 529 plan. Also find out if your employer reimburses qualified education expenses. They're typically tax-deductible to the business, but all or a part may be taxable to the employee receiving them.

Q I own a restaurant and recently served an unruly customer, who then trashed my food and service on social media. How do I prevent this comment from hurting my restaurant's reputation?

A With online ratings websites and social media ever-present, many retail businesses depend on good reviews to increase sales. Many of these sites allow owners to respond to reviews. The best way to deal with a bad one is head-on. Acknowledge the bad review, apologize if warranted and consider offering a discount for a return visit. But don't fight fire with fire. Your more satisfied customers and potential new ones will recognize your efforts.

ClientLine® SHORT BITS...

> **TAX ID THEFT HELP** – Identity theft is a growing problem and clearing up the damage done by it can be costly and time-consuming. At least the Federal Trade Commission (FTC) and IRS now offer some help expediting matters, if thieves use your tax identification number. Report the theft online at IdentityTheft.gov to file IRS Form 14039. And don't forget to work with your tax professional, who can provide you with personal assistance.

> **WE'RE SPENDING MORE MONEY** – The Bureau of Labor Statistics reports that between July 2016 and June 2017,

consumers spent 3.9% more than they did the year before. Cash contributions and education expenses were the two double-digit increases during this time period.

> **HURRICANE SEASON IN FULL SWING** – Hurricane season is now entering its peak, which is as good a time as any to review some disaster readiness tips offered by the IRS. Among the tips: Update your emergency plans, create electronic copies of key documents, and photograph or videotape valuables. If you're an employer, make sure your payroll provider has a fiduciary bond to protect you in case

it is impacted and plan how employees will be paid if you're affected.

> **GOOD TIME TO BUY** – Gallup's annual Economy and Personal Finance poll shows that two-thirds of Americans think home prices will rise. The poll, conducted in April 2018, finds more optimism in the West and the least in the East. The 64% who believe prices will increase is the highest since the real estate bubble burst a decade ago.

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