Is It Better to Remarry or Just Live Together?

Finding love later in life may be unexpected and exciting, but should it lead to marriage? The considerations are much different for an older couple with adult children and retirement plans than for a young couple just starting out. Before deciding whether to get married or just live together, you need to look at your estate plan, your Social Security benefits, and your potential long-term care needs, among other things. Whatever you decide to do, you may want to consult a lawyer to make sure your wishes will be carried out.

Here are some things to think about:

- **Estate Planning**. Getting married can have a big effect on your estate plan. Even if you don't include a new spouse in your will, in most states spouses are automatically entitled to a share of your estate (usually one-third to one-half). One way to prevent a spouse from taking his or her share is to enter into a prenuptial agreement in which both spouses agree not to take anything from the other's estate. If you want to leave something to your spouse and ensure your heirs receive their inheritance, a trust may be the best option.
- **Long-Term Care**. Trusts and prenuptial agreements, however, won't keep a spouse from being responsible for your long-term care costs or vice versa. In addition, getting married can have an effect on your or your spouse's Medicaid eligibility. If you can afford it, a long-term care insurance policy may be a good investment once you remarry.
- **The Family Home**. Whether you are getting married

or just living together, before combining households you will need to think about what will happen to the house once the owner of the house dies. If the owner wants to keep the house within his or her family, putting the house in both spouse's names is not an option. On the other hand, the owner may also not want his or her heirs to evict the surviving spouse once the owner dies. One solution is for the owner of the house to give the surviving spouse a life estate. Once the surviving spouse dies, the house will pass to the original owner's heirs.

- **Social Security**. Many divorced or widowed seniors receive Social Security from their former spouses, and remarriage can affect benefits. If you are divorced after at least 10 years of marriage, you can collect retirement benefits on your former spouse's Social Security record if you are at least age 62 and if your former spouse is entitled to or receiving benefits. If you remarry, you generally cannot collect benefits on your former spouse's record unless your later marriage ends (whether by death, divorce, or annulment). However, if your are a widow, widower or surviving divorced spouse who remarries after age 60, you are entitled to benefits on your prior deceased spouse's Social Security earnings record.
- **Alimony**. If you are receiving alimony from a divorced spouse, it will likely end once you remarry. Depending on the laws in your state and your divorce settlement, alimony may end even if you simply live with someone else.
- **Survivor's Annuities**. Widows and widowers of public employees, such as police officers and firefighters, often receive survivor's annuities.

Many of these annuities end if the surviving spouse remarries. In addition widows and widowers of military personnel may lose their annuities if they remarry before age 57. Before getting married, check your annuity policy to see what the affect will be.

- **College Financial Aid**. Single parents with children in college may want to reconsider before getting married. A new spouse's income could affect the amount of financial aid the college student receives. Some private colleges may even count the combined income of a couple that lives together if they commingle their expenses.

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Nursing Home Discrimination Against Medicaid Recipients

While it is illegal for a nursing home to discriminate against a Medicaid recipient, it still happens. To prevent such discrimination, nursing home residents and their families need to know their rights.

The potential for discrimination arises because Medicaid pays nursing homes less than the facilities receive from residents who pay privately with their own funds and less than Medicare pays. Nursing homes are not required to accept any Medicaid patients, but Medicaid payments are a steady guaranteed payment, so many nursing homes agree to accept Medicaid recipients.

When a nursing home agrees to take Medicaid payments, it also agrees not to discriminate against residents based on how they are paying. Medicaid recipients are entitled to the same quality of care as other residents. A nursing home cannot evict residents solely because they qualified for Medicaid.

Unfortunately, discrimination against Medicaid patients does occur, and the discrimination can take different forms. The nursing home may refuse to accept a Medicaid recipient or may require that a resident pay privately for a certain period of time before applying for Medicaid. When a resident switches from Medicare or private-pay to Medicaid payments, the nursing home may transfer the resident to a less desirable room or claim that it doesn't have any Medicaid beds.

There is at least one way that nursing homes can treat Medicaid recipients differently, however. Nursing homes are allowed to switch residents who were privately paying for a single room to a shared room once they qualify for Medicaid. In addition, the nursing home is not required to cover personal and comfort care items, such as a telephone or television. In some states families are allowed to pay the difference to get a private room or the care item. Other states do not allow any supplementation.

If you feel you have been discriminated against by a nursing home, contact your state's long-term care ombudsman or your attorney.

Four Social Security Myths

Debunked

There are a lot of misconceptions surrounding the Social Security system. Here are four common myths and the truth about how Social Security works and its future prospects.

Myth 1: You Should Collect Benefits Early

This is one of the biggest Social Security myths. In 2015, more than half of Social Security recipients began collecting benefits before their full retirement age (66 for those born between 1943 and 1954), potentially costing themselves thousands of dollars in additional benefits. If you take Social Security between age 62 and your full retirement age, your benefits will be permanently reduced to account for the longer period you will be paid.

On the other hand, if you delay taking retirement, depending on when you were born your benefit will increase by 6 to 8 percent for every year that you delay, in addition to any cost of living increases. There are a lot of factors that go into the decision as to when to take Social Security benefits, but if possible it is usually better to wait until your full retirement age or older.

Myth 2: Your Money Goes into an Account with Your Name on It

When you pay into Social Security, the money is not set aside in a separate account, as with a 401(k) or IRA. Instead, your contributions are used to pay current recipients. When you start receiving benefits, people paying into the system will be paying your benefits.

Myth 3: Social Security Will Be Out of Money Soon

Many young people believe the Social Security system will run out of money before they have a chance to collect anything. Currently, the Social Security trustees predict that the trust fund will run out of money in 2034. Politically, it seems unlikely that Congress and the President would let this happen. Changes will likely be made to the system by either raising taxes (such as by lifting the cap on income subject to Social Security tax), reducing benefits for high-income individuals, increasing the retirement age, or doing something else that will allow Social Security to be fully funded. However, even if the trust dries up and there isn't enough money to pay all the promised benefits, people will still be paying into the system and Social Security will be able to pay at least 75 percent of benefits.

Myth 4: If You Haven't Worked, You Cannot Collect Benefits

If you haven't worked outside of the home, you will not be able to collect Social Security benefits on your own record, but you may be able to collect them based on your spouse or ex-spouse's record. Spouses are entitled to collect as much one half of a worker's retirement benefit. This rule applies to ex-spouses as well, as long as the marriage lasted at least 10 years and the spouse applying for benefits isn't remarried.

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Last Chance to Use File and Suspend Strategy for Claiming Social Security Benefits

Time is running out to use a potentially very lucrative Social Security benefits-claiming strategy. Spouses will no longer be able to use the “file and suspend” strategy after April 29, 2016. Beware, however, that the new rules are causing confusion at some Social Security offices.

The federal budget agreement that was signed in fall 2015 ended two Social Security strategies that some spouses have used to maximize benefits. The “File and Suspend” strategy allowed a worker to file for benefits and then suspend them. The worker’s spouse or children could then begin to receive spousal or children’s benefits while the worker postponed receiving benefits and continued to earn retirement credits.Under the new law, which takes effect April 29, 2016, a spouse cannot begin receiving benefits until the worker is actually receiving benefits, too. Workers can still file and suspend, but spouses (or other dependents, including minor and disabled children) cannot receive benefits during the suspension. There is an exception for divorced spouses. A divorced spouse can continue to receive spousal benefits if the worker suspends benefits.The second strategy, “Claim Now, Claim More Later,” allowed a spouse at full retirement age to choose whether to take spousal benefits or benefits on his or her own record. Under the new law, if you were not 62 years old by January 2, 2016, you do not get to choose which benefit to take. You may take whichever benefit is higher, but you cannot take spousal benefits and then switch to your own record later.

If you are at 66 years old or older before April 29, 2016, you should immediately consider whether or not you want to file and suspend your Social Security benefits. If you do not file and suspend before April 29, 2016, your spouse will not be able to collect spousal benefits unless you are also receiving benefits. Filing and suspending can be a beneficial strategy for certain couples. For example, suppose a husband is 66 and his wife is 65. The husband can file and suspend before April 29, 2016. Because the wife was 62 years old or older on January 2, 2016, when she turns 66, she can choose to take her spousal benefit while her own benefit continues to accrue. Meanwhile, the husband continues to work, so his benefit is also growing.

If you do decide to file and suspend before the deadline, beware that according to articles in *Forbes* and *Investment News*, some Social Security offices are giving out incorrect information about using file and suspend before the new law takes effect, claiming that a worker can only file and suspend if his or her spouse is also 66. While Social Security has issued emergency memos about the changes to field offices, they have yet to issue formal guidance. If you run into trouble with a Social Security office, you may need to be persistent to get the correct information. **Update: Social Security has published answers to frequently asked questions on file and suspend and on "claim now, claim more later" (which it calls deemed filing). For the first, click here; for the second, click here. For an article on Social Security's explanation of its new rules, click here.**

For more information about Social Security, go here.

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10 Ways the Elderly Can Avoid Financial Abuse

Increased dependency due to illness, disability or cognitive impairments can make seniors susceptible to financial abuse. Nest eggs accumulated over decades also often make seniors attractive targets for predators, whether an offshore bogus sweepstakes or a care provider who sees an opportunity to be paid more than an hourly wage.

Just as sunlight makes the best disinfectant, transparency provides the strongest abuse protection. If others are aware of the senior's finances, either possible predators will see that no opportunity exists to take advantage of the senior or the family members or professionals can step in to keep any fraud from going too far. Here are some steps seniors or their loved ones can take to prevent financial abuse.

1. Arrange for account oversight

Make sure that someone close to the senior has access to her accounts to be able to see if anything unusual is going on, for instance large checks being made out or larger-than-usual cash withdrawals from ATMs. The oversight can be through copies of monthly statements or online access to accounts.

2. Create joint accounts

A joint account with someone gives them oversight as well as the ability to write checks, make investment decisions and take steps if necessary to protect the funds in the account. It also avoids probate, making the transition somewhat easier at the owner's death. But make sure you only add the name of someone you really trust to the account because it can also be an avenue for financial abuse if the joint owner becomes the perpetrator.

3. Use a revocable trust

Revocable trusts can be useful for a number of reaons. They include all of the benefits of joint accounts, with few of the drawbacks. Your revocable trust gives someone you trust access to your accounts in trust and the ability to step in seamlessly if you become disabled. Unlike a joint account, it does not give the trustee any ownership interest in the account. If, for instance, you had four children but named one as a co-owner of your joint accounts, at your death she would have the legal right to keep the funds rather than share them with her siblings. That would not be the case with a revocable trust.

4. Visit often

Nothing prevents financial abuse or stops it in its tracks better than frequent visits by loved ones. Either the potential perpetrator will see that he can't isolate the senior and take advantage of him or family members or friends will notice the abuse before it goes too far.

5. Get help paying bills

If someone helps you pay your bills, they will help you make sure that you're not letting anything slip through cracks or paying something that you shouldn't. They will be able to help you sort through your mail and determine what is important and what is not.

6. Use a limited credit card

Credit cards are now available that allow another person to monitor the activity of the cardholder and to limit both the amount he spends and where he can spend it. One of these is the True Link card.

7. Sign up for do not call registry

It is quite easy to register your telephone number with the

Federal Trade Commission's Do Not Call Registry either online at www.donotcall.gov or by calling 888.382.1222. While this may not stop someone intent on defrauding a senior, it should help reduce calls from salespeople.

8. Sign up for Nomorobo

You can sign up for Nomorobo to block robo calls. Unfortunately, it does not work with all telephone providers, including Verizon.

9. Consult with an attorney

An estate planning attorney can help set up a revocable trust and durable power of attorney to assist with financial management, advise on the best protective steps to take in each situation and provide additional oversight to discourage financial abuse.

10. Opt out of mail solicitations

At www.dmachoice.org the Direct Marketing Association permits you to limit the amount of catalogs, credit card offers and other direct mail pieces you or a loved one receives. You may well ask why the Direct Marketing Association does this. The answer is that they don't want to waste their print and mail costs sending to consumers who have no interest in the product being marketed.

While there's no foolproof measure you can take that will both prevent financial fraud and leave you or your lived one with at least some independence and control over her finances, the steps described above can make her world a safer financial place. Just remember what was said at the beginning: isolation is a breeding ground for financial abuse (as well as depression and other ills). Social involvement is the best protection.

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