

Frequently Overlooked Retirement Considerations

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is brought to you by

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Introduction

Many people look forward to retirement due to the increased leisure time that comes from leaving the workforce. People view the first few years of retirement as their "Golden Years." Most retirees expect increased time on the golf course or riverfront. Others expect to finally have the ability to pursue passions that were not previously possible, such as international travel. However, the first few years of retirement often differ greatly from these hopeful expectations. Without proper planning, the first years of retirement can even be stressful.

The Cost Of Long-Term Care

Retirees often overlook the cost of long-term care. This cost can be addressed through the purchase of long-term care insurance, planning for government benefits assistance, or implementing a two-bucket investment approach. No matter how one decides to address the costs of long-term care, the failure to do so can be catastrophic to a family's financial picture. The costs of care increase greatly when a family does not have sufficient time to implement a strategy.

The Complexity And Cost Of Housing Logistics

Downsizing to a smaller home can be a complicated endeavor. Renovating a home to include a bedroom on the first floor or an in-law suite can be a yearlong process. Selling a home can also take much longer than many retirees predict. Often factors outside of a couple's control affect the timing of a sale or renovation. Many retirees do not downsize during retirement; instead, they "upsized" by taking on an additional home or recreational vehicle, such as a yacht. While it is important to enjoy retirement, in nearly all professions it is hard to re-enter the workforce. Thus, retirees should carefully consider the long-term impacts of housing decisions before making them.

Moving To A New Place: Taxes, Fees, And Insurance Changes

Many people are subject to lower tax brackets during retirement than when they worked; nonetheless, when retirees move, there are often new taxes and fees that hurt a retirement plan. Usually, if a state has a lower income tax, there is a resulting increased real estate tax to make up the shortfall in tax revenue. Even if retirees spend less time driving than those in the workforce, a single accident in a new town can dramatically affect car insurance premiums. It is especially important to review one's umbrella liability coverage before moving to a new place. For those "snowbirds" who decide to live in two places, a coordinated medical team should be implemented in case an unexpected procedure is

Frequently Overlooked Retirement Considerations – Cont'd.

necessary. Where will one keep time-sensitive documents, such as an Advance Medical Directive, if one lives in two places? Resources such as Docubank, an affordable online document registry, can be beneficial for people in this position.

Managing Family Expectations

Many retirees have children who reside far away from them. These children often expect their retired parents to be able to travel frequently. In part due to the Great Recession, many children currently in the workforce are not on the financial footing they expected to have obtained by this point in their lives. Thus, some children expect retired parents to be able to pay for trips and other expenses. However, just because one has the time to do an activity does not mean that one has the financial ability to afford to participate in it. Managing family expectations is incredibly important during the first few years of retirement.

The Importance Of A Retirement Budget

Even with careful saving and retirement planning, the first few years of retirement can be somewhat disorienting due to changed social expectations. Having a clear budget helps one manage these changing social expectations. It is very common for retirees to be asked to participate in various nonprofits as volunteer fundraisers. These opportunities usually are based on an implied promise that the retiree give money to the nonprofit. Sticking to a retirement budget is important as one considers participating in community service opportunities.

Predicting Changes To One's Professional Advisor Team

As retirees age, so do their accountants, attorneys, doctors, and other advisors. Changes in personnel can be positive, as younger professionals apply new insights and protect retirees from recent threats to their future. However, personnel changes are only positive if they are predictable and properly managed. If one stores his or her important papers with a financial advisor, and that advisor retires, it is critically important to track the location of such documents. Each year, millions of dollars go to unclaimed asset funds across the country. Ensuring that one's financial team will be in place during retirement is critical part of the retirement planning process.

The Importance Of Community Involvement And Self-Advocacy

People have more leisure time during their retirement; this can be a double-edged sword. More free time can be exhilarating. It can also lead to depression and a general feeling of disconnectedness. Many retirees look forward to days with fewer board meetings and more time on the golf course. Others find that less responsibility makes them feel that they are not living to their full potential. Retirees should not be surprised if they find themselves feeling somewhat lonely during the first few months of retirement. Sometimes professional counseling is needed as one leaves the workforce.

Conclusion

Many people fail to plan for the first few years of retirement. With proper planning, the first few years of retirement can be a marvelous time, but it is critical to take the time to analyze one's goals and realities during this stage in life. If you or a loved one has questions about the retirement planning process, please call the Hook Law Center.



Dogs' Play – Lost and Found Program

Hook Law Center: Kit Kat, can you tell us about the pet adoption program at the Norfolk SPCA?

Kit Kat: Yes, the Norfolk SPCA located at 916 Ballentine Blvd., Norfolk, VA 23504 (622-3319) has a special program called "Seniors for Seniors." What this means is that a senior, defined as someone 60 years old or older, can adopt an animal 6 years old or older free of charge. Seniors can also adopt a pet of any age for \$35. Isn't that terrific? It's such a neat idea! Older pets have already gotten through their frisky stage and are much easier for an older person to handle. They don't have to be litter- or housetrained. They already have that skill down perfectly. An older pet, who is now in his/her later stages of life, is the perfect companion for someone who leads a more sedate lifestyle.

The older pet, no longer the adorable kitten or puppy, is just as excited about the program. Here they have a chance to compete with their younger counterparts. Underneath their mature exterior, lies a heart of gold, and they will just beam with love for their new master or mistress. Also, with an adult pet, there is usually information available about the pet's behavior. Do they get along with children, strangers, or other pets in the household? In this way, the senior can make an informed choice about the pet he/she is adopting and doesn't have to take pot luck and hope for the best. Kittens and puppies are cute, but you don't always know how they will grow up.

If you are interested in adopting a pet through the Norfolk SPCA, visit or call them. They are open 6 days per week. They also offer veterinary care at a reduced rate 6 days per week.

Upcoming Events

- Hook Law Center will be participating in **Senior Advocate's Art of Healthy Aging Series** held at Westminster Canterbury, 3100 Shore Drive, Virginia Beach VA 23451. This series will be held once a month from July through December. **Andrew H. Hook** will be the featured presenter on **Tuesday, August 5, 2014 at 10:00 a.m.** Mr. Hook will speak on Avoiding Elder Law/Care Pitfalls as well as provide an overview of Hook Law Center's Practice Areas. HLC Attorney Jessica A. Hayes and Shannon Laymon-Pecoraro will also provide an overview of Hook Law Center's Practice Areas at the meetings held on **Tuesday, July 1, 2014 at 10:00 am**, **Tuesday, September 2, 2014 at 10:00 am**, **Tuesday, October 2, 2014 at 10:00 am**, **Tuesday, November 4, 2014 at 10:00 am**, and **Tuesday, December 2, 2014 at 10:00 am**. We look forward to seeing you there!

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