

### About Scott L. Maxwell, CFP®

Scott L. Maxwell, CFP® has been in practice since 1993 and with The H Group, Inc. since 2000. He specializes in retirement, income, investment and estate planning. In addition to client specific planning, Scott sits on the Investment Policy Committee. Scott is a charter member of the Financial Planning Association and past Board member of its local Chapter, and he's involved in several community and non-profit organizations in the Portland area.

### About Fred L. King, CFP®

Fred L. King, CFP® is an Advisory Affiliate with The H Group, Inc. and joined The H Group, Inc. in 2004. A graduate of Oregon State University with a degree in Business Administration, Fred has over 15 years of business experience in a variety of roles with several national firms. He specializes in retirement financial needs analysis, investment management, risk management and general financial planning for individuals and small business. Fred is a member of the Financial Planning Association (FPA). Over the last seven years, Fred has been an educator and judge for Oregon State University's Lifetime Financial Planning Contest. Lastly, Fred has been a contributor to Money Magazine, Wealth Magazine, and FiGuide.



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### Protect Yourself against Identity Theft continued from page 3

your keystrokes, or lead you to “spoofs” (websites that replicate legitimate business sites) designed to trick you into revealing personal information that can be used to steal your identity.

If you wish to visit a business's legitimate website, use your stored bookmark or type the URL address directly into the browser. If you provide personal or financial information about yourself over the Internet, do so only at secure websites; to determine if a site is secure, look for a URL that begins with “https” (instead of “http”) or a lock icon on the browser's status bar.

And when it comes time to upgrade to a new computer, remove all your personal information from the old one before you dispose of it. Using the “delete” function isn't sufficient to do the job; overwrite the hard drive by using a “wipe” utility program. The minimal cost of investing in this software may save you from being wiped out later by an identity thief.

### Be diligent

As the grizzled duty sergeant used to say on a televised police drama, “Be careful out there.” The identity you save may be your own.

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### Our Blog

Each month we come across dozens of stories and ideas that might be useful for our clients. As a way to point those out and to help make sense on a variety of subjects, we've created a blog page on our website. Stop by and visit from time to time. There is even a “subscribe” option that will allow you to be notified via RSS about our latest updates. Go to [www.pdxplanning.com](http://www.pdxplanning.com) and click on the blog tab!



The information and opinions expressed in this newsletter are those of Scott Maxwell and Fred King, advisor affiliates under The H Group, Inc., a Registered Investment Advisory firm.

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## The Long Term Times

### Continuing Care Retirement Communities

Over the last several years a number of our clients have gone through the process of investigating and choosing whether to sell their home and move to Continuing Care Retirement Communities (CCRC's). Some have decided that this sort of setting provided a good fit; others have ultimately decided against the move (or simply put off the decision to a later date). Many of us are somewhat familiar with the concept of retirement communities of one sort or another but there is a fair amount of confusion on just what sort of setting may be the best for any given situation.



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### The basics

While CCRC's aren't rare by any means, they aren't the most common type of retirement community, either. CCRC's are a subset of retirement communities in general and differ from other sorts of nursing homes, assisted living facilities, and independent living communities by virtue of the type of agreement and scope of services provided. They often involve a substantial up-front fee (which may or may not be refundable to an estate at death) in addition to ongoing monthly costs. Most of these communities offer the ability to transition from independent living through assisted living and many offer a memory care component as necessary. While the agreements for entrance to a non-CCRC type of community may look like a standard rental agreement, the contract for a CCRC is necessarily more complex and includes provisions for the types of care and refunds of the entrance fee.

### Why choose a CCRC

The biggest reason to choose a CCRC is the amenities of the community. They often aren't the most strictly economic

alternative, but that's not to say the overall level of cost is prohibitive. The desirability of living in a well-run environment with provided services, prepared meals, and the ability to transition from one sort of care to another can be quite attractive features.

**“Who might benefit from a CCRC?”**

### Types of arrangements

CCRC's come in three basic flavors when considered in regards to the way services are accounted and charged for. The “life-care” model provides a level monthly fee that essentially covers all levels of care. The “modified life-care” arrangements stipulate additional fees for the type of services provided above the base. Finally the “fee-for-service” sorts of facilities provide different levels of fees for the various services they provide. None of these are better or worse, they are just different. Because contracts may vary, the descriptions above should be viewed as a continuum rather than hard and fast categories. But it's helpful to have a sense of these types of fee arrangements as one reviews the contract being considered.

### Who might benefit from a CCRC

CCRC's involve a blending of assets, personality and level of health. The ideal candidate will have assets and income that are sufficient to finance the expected tenure of residence, will want to live in a community of this sort, will value the amenities offered and enjoy, at time of entrance, a level of health and independence that qualifies for the community in question. Let's look at each in turn:



Fee Only Wealth Management

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## Team Update

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• **Assets and Income** – There are some guidelines that may prove helpful when considering the financial aspects of a CCRC. From an income standpoint, the industry seems to think that the ongoing monthly fees should be no more than 60% of the monthly income of a particular couple or individual. From an asset standpoint, one could consider having assets equal to at least 1.5 times the entrance fee required. So if one was considering a situation where the monthly fees were \$2,500 and the entrance fee \$250,000 one would want income of \$50,000 and assets of \$375,000 at a minimum. These are basic guidelines only; of course, one could consider that higher asset values may replace some lower income, but in reality each person will want to work with an advisor to determine if the community under consideration makes sense when their own particular goals are taken into account.

• **Personality** – The person interested in a CCRC arrangement will want to take advantage of the amenities offered and will also have an interest, at least on some level, of participating in the offerings of that particular community. Proximity to cultural centers, transportation to shopping, the recreational opportunities offered within the community itself, all these are clearly important to consider.

• **Health** – Each community will have their own guidelines in regards to health considerations at time of purchase. However, it's important to think about beginning a residential stay while one is able to take advantage of what the community has to offer. In some cases, health considerations are such that this sort of arrangement just doesn't make sense, and while all these communities are meant to address ageing in place, certain types of contracts anticipate a period when folks need less services early on and have arranged their entrance requirements in light of those considerations.

### **The Fine Print**

Needless to say, careful scrutiny of the contract and its associated provisions is vital. Fee policies, a description of the dwelling unit, included and additional

services, marriage and divorce implications, contract terminations and the process for disagreements and remedies are very important. Each facility's contract will be unique, and it's important to review and understand clearly the contract under consideration.

Scrutiny is also important in regards to the company's financial condition. While bankruptcies in these sorts of facilities are not common, there have been occurrences of this. The company will provide disclosures and should be happy to provide additional information when requested. Levels of debt should be reasonable, of course, and incomes should be sufficient to costs. This information is important to review with your financial professionals.

Visits are important! Take as many looks as you like and then do another. Visits will be arranged by the marketing staff but you may want to drop by unannounced to take a look and get a sense of the daily routine and feel of the common spaces. Have a friend or family member accompany you. It's a big investment and you want to make sure that you are comfortable in your new home!

Oregon has taken seriously its level of oversight of these communities. In the wake of some troubling failures nationally, Oregon passed legislation in 2010 that made disclosures mandatory, provided for regular meetings with management and residents, and gave residents non-voting seats on the governing boards of CCRC's. Oregon also has mandated a "Resident Bill of Rights" that stipulates basic rights against discrimination, and also includes some provisions regarding disclosures and other matters.

CCRC's aren't for everyone, of course, and there are lots of other types of non-CCRC communities that provide great situations for retirement living. But it just may be that the community in which you are interested may be organized in that fashion and a choice like this could be a good fit. Although we're not experts, we're happy to help our clients think about this most important decision. Good luck with your search!

Wow, it's June already? That is just really hard to believe. This year has been a bit of a whirlwind for all of us here at The H Group, and happily so. But now it's summer, the birds are singing, the gentle breezes are blowing, the sun is shimmering on the wave crests and mountain meadows. All we can say is hurray!

This last quarter we've made time for education, of course, with a number of professional presentations on retirement communities, charitable planning and retirement income planning. We also made time for one of our most enjoyable events, sponsoring a table at the Willamette West Chapter of **Habitat for Humanity**, helping in our small way some folks find an affordable, safe and healthy place to call home.

**Fred** has been very busy with his kids' activities. His daughter, Taylor, was recently awarded Prom Queen, received a choir leadership award, and became an official Thespian. Upon graduation, she will be in Uganda for six months. Fred's son, Peyton, has been working on spring football practice preparing for football in his senior year. In addition, Fred and Peyton are going to several football camps in the summer.

**Scott** got to spend part of his spring in the foothills of the Blue Ridge Mountains in North Carolina with his son and daughter. They celebrated Easter on a mountaintop overlook, toured Asheville on a rainy April day and wandered along part of the Blue Ridge Parkway, past the cradle of forestry site. He's also spent some time exploring the South Puget Sound aboard Amatheia and tending to the last of the tasks needed to ready her for a voyage further north.

**Jennifer** and her sweetheart, Ron, visited Mt. St. Helens for the very first time on Memorial Day weekend, and enjoyed an easy hike along the well-maintained trail to Spirit Lake. The view was spectacular and the quiet of the surroundings eerie. But it was wonderful to see the lush hills replanted with thousands of trees, and the many chipmunks that have no fear of human beings, that have made their homes in the hills above the lava beds.

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## **Protect Yourself against Identity Theft**

Whether they're snatching your purse, diving into your dumpster, stealing your mail, or hacking into your computer, they're out to get you. Who are they? Identity thieves.

Identity thieves can empty your bank account, max out your credit cards, open new accounts in your name, and purchase furniture, cars, and even homes on the basis of your credit history. If they give your personal information to the police during an arrest and then don't show up for a court date, you may be subsequently arrested and jailed.

And what will you get for their efforts? You'll get the headache and expense of cleaning up the mess they leave behind.

You may never be able to completely prevent your identity from being stolen, but here are some steps you can take to help protect yourself from becoming a victim.

### **Check yourself out**

It's important to review your credit report periodically. Check to make sure that all the information contained in it is correct, and be on the lookout for any fraudulent activity.

You may get your credit report for free once a year. To do so, visit [www.annualcreditreport.com](http://www.annualcreditreport.com).

If you need to correct any information or dispute any entries, contact the three national credit reporting agencies: Equifax, Experian, and TransUnion.

### **Secure your number**

Your most important personal identifier is your Social Security number (SSN). Guard it carefully. Never carry your Social Security card with you unless you'll need it. The same goes for other forms of identification (for example, health insurance cards) that display your SSN. If your state uses your SSN as your driver's license number, request an alternate number.

Don't have your SSN preprinted on your checks, and don't let merchants write it on your checks. Don't give it out over the phone unless you initiate the call to an organization you trust. Ask the three major

credit reporting agencies to truncate it on your credit reports. Try to avoid listing it on employment applications; offer instead to provide it during a job interview.

### **Don't leave home with it**

Most of us carry our checkbooks and all of our credit cards, debit cards, and telephone cards with us all the time. That's a bad idea; if your wallet or purse is stolen, the thief will have a treasure chest of new toys to play with.

Carry only the cards and/or checks you'll need for any one trip. And keep a written record of all your account numbers, credit card expiration dates, and the telephone numbers of the customer service and fraud departments in a secure place--at home.

### **Keep your receipts**

When you make a purchase with a credit or debit card, you're given a receipt. Don't throw it away or leave it behind; it may contain your credit or debit card number. And don't leave it in the shopping bag inside your car while you continue shopping; if your car is broken into and the item you bought is stolen, your identity may be as well.

Save your receipts until you can check them against your monthly credit card and bank statements, and watch your statements for purchases you didn't make.

### **When you toss it, shred it**

Before you throw out any financial records such as credit or debit card receipts and statements, cancelled checks, or even offers for credit you receive in the mail, shred the documents, preferably with a cross-cut shredder. If you don't, you may find the panhandler going through your dumpster was looking for more than discarded leftovers.

### **Keep a low profile**

The more your personal information is available to others, the more likely you are to be victimized by identity theft. While you don't need to become a hermit in a cave, there are steps you can take to help minimize your exposure:

• To stop telephone calls from national telemarketers, list your telephone number with the Federal Trade Commission's National Do Not Call Registry by

registering online at [www.donotcall.gov](http://www.donotcall.gov).

• To remove your name from most national mailing and e-mailing lists, as well as most telemarketing lists register online with the Direct Marketing Association at [www.dmchoice.org](http://www.dmchoice.org).

• To remove your name from marketing lists prepared by the three national consumer reporting agencies, register online at [www.optoutprescreen.com](http://www.optoutprescreen.com).

• When given the opportunity to do so by your bank, investment firm, insurance company, and credit card companies, opt out of allowing them to share your financial information with other organizations.

• You may even want to consider having your name and address removed from the telephone book and reverse directories.

### **Take a byte out of crime**

Whatever else you may want your computer to do, you don't want it to inadvertently reveal your personal information to others. Take steps to help assure that this won't happen.

Install a firewall to prevent hackers from obtaining information from your hard drive or hijacking your computer to use it for committing other crimes. This is especially important if you use a high-speed connection that leaves you continuously connected to the Internet. Moreover, install virus protection software and update it on a regular basis.

Try to avoid storing personal and financial information on a laptop; if it's stolen, the thief may obtain more than your computer. If you must store such information on your laptop, make things as difficult as possible for a thief by protecting these files with a strong password--one that's six to eight characters long, and that contains letters (upper and lower case), numbers, and symbols.

### **"If a stranger calls, don't answer"**

Opening e-mails from people you don't know, especially if you download attached files or click on hyperlinks within the message, can expose you to viruses, infect your computer with "spyware" that captures information by recording