



Dear Clients and Other Friends,

Yes, it's only October, but that is a picture of the Salvation Army kettle that's sitting on our front desk already. I am a member of the Alameda County Advisory Board for the Salvation Army and a few of us so-called Kettle Captains will be starting our drives a little early this year.

As you are probably aware, the Salvation Army is dedicated to meeting human need in many realms. One pressing human need in the Bay Area right now is housing, and the Salvation Army has very ambitious plans to provide housing to the homeless throughout our region.

I tell you all of this to let you know that we always love to see our clients and if you find yourself in the area with a few extra dollars in your pocket to add to the kettle, even better. Anyway, at least stop by and help yourself to some chocolate. And happy (way early) holidays.

Very truly yours,
Kirsten Howe
Kirsten Howe

P.S. I will be out ringing the bell in December too!



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OUR AGING POPULATION: INCREASING WORKER SHORTAGE WILL ONLY MAKE IT WORSE

By now, we have all probably been made aware of the so-called “silver tsunami.” the phenomenon we are seeing in our country of a rapidly-growing senior population. In the years following World War II, the U.S. experienced an unprecedented population increase, the “Baby Boom”, the generation that is now hitting social security age at the rate of 10,000 people a day. This, coupled with a decline in the number of young workers in our country who can perform care-giving jobs, as well as record low unemployment rates, is causing a crunch in some parts of the country. And a similar crunch is on its way in most of the rest of the country.

A recent Washington Post article discussed this problem as it is playing out in Maine, the state with the oldest population. One fifth of Maine’s population is over the age of 65, qualifying its populations for the title “super-aged.” By 2026, 15 more states will be classified as super-aged and at least 12 more will qualify by 2030.

What is happening in Maine right now will be happening elsewhere if we don’t plan ahead. Because of a shortage of eligible employees, nursing homes are closing. This means families are left with no choice but to pay for private in-home care, which is extraordinarily expensive, or to provide such care themselves. This is also an unsustainable solution for most families. Adult children of elderly

parents have full-time jobs, children of their own and must live within the same 24-hour day that the rest of us have.

In Maine, not only is there a shortage of low-wage care giver employees, there is also a shortage of more highly compensated medical personnel. About one-third of the physicians who practice in Maine are older than 60 and the population of registered nurses is aging as well, especially in rural areas.



Across the country, AARP predicts that the number of Americans 85 and older will increase 200 percent by 2050. During that same time period, the number between 75 and 84 will increase 100 percent, but the number younger than

65 will increase only 12 percent. This massive shift will mean many families will be unable to get the long-term care they need, even if they are eligible for government assistance through Medi-Cal or the VA. Because of the imbalance between the population in need of long-term care and the population of workers who provide that care, many businesses and organizations have had to shift their priorities away from reaching out to the elderly and toward putting energy into recruiting staff to service the many elderly people now on wait-lists.

Other developed countries are facing similar problems. Many have already

(CONT.)

I hope by now you have had a chance to listen to and hopefully learn something from our podcast, Absolute Trust Talk. We're so happy we've completed almost thirty shows with many more to come. A few of our past episodes include:

- **Knowing and Understanding Alzheimer's**
- **Finding the Right Home Care**
- **Is Medi-Cal for Me?**

Here's a sneak peak into our upcoming episodes that will be available soon:

- **What You Need to Know About Firearms and Estate Planning**
- **Strategies to Enhance Your Lifespan**
- **How the Long-Term Care Ombudsman Watches Out For You.**

In addition to the podcast interview, one of my favorite parts of each episode is when I get to answer a question from a listener or client. Here's a common question I get asked:

Should I make my trust the beneficiary of my IRA? That is usually not the best choice. Your IRA is funded with pre-tax money. If you leave it to your revocable living trust, all of the income taxes due on the investments will have to be paid very soon after your death. However, if you leave it to a person or persons, or to a special kind of trust created just for this purpose, the income tax will be paid over the beneficiary's entire lifetime, which is a much better result financially.

OUR AGING POPULATION (CONT.)

responded by enhancing government-provided care. Among developed, Western countries only the U.S. and England do not provide a universal long-term care benefit.

What Can We Do?

This all sounds very discouraging and even scary. The solutions are bigger than we as individuals can accomplish. However, some things to consider:

- Long-Term Care insurance may help bridge the affordability gap for many families. It's worth at least talking to an insurance professional to see what you can get.



If you have a question you would like answered or a topic you'd like to learn more about, please send an email to ivy@absolutetrustcounsel.com. To listen to any of the podcasts, go to the podcast page on our website, www.absolutetrustcounsel.com or look for us on iTunes. Also, don't forget to download the free informational tool each show provides with helpful checklists, answers and more. As a favor, we would greatly appreciate it if you would subscribe and rate them. We are always grateful for comments, suggestions and feedback.

- Do all you can, diet, exercise, socializing, to stay healthy.
- Many of our clients move to other states when they retire, for a variety of reasons. If you have plans to relocate on retirement, do some demographics research to see what the population will look like in the future. And consider moving closer to children.
- If you find the current state of our long-term care system unacceptable, let your elected representatives know you are concerned and want to see changes.

MEDI-CAL AND NATIONAL DISASTERS

As we head into wildfire season, it is important that Medi-Cal recipients be aware of their rights concerning disaster assistance and insurance payouts. When insured property is damaged or destroyed, traditional Medi-Cal (as opposed to MAGI Medi-Cal) recipients may become concerned about what happens to their Medi-Cal eligibility when they receive payments from the insurance company.

INSURANCE

Any insurance payment received for the purpose of replacing or repairing exempt property, such as a home or car, that is lost, damaged or stolen is also considered exempt property in the month it is received and for nine months after the date it is received. After nine months it is expected that the cash received should have been used on repairing or replacing the insured property.

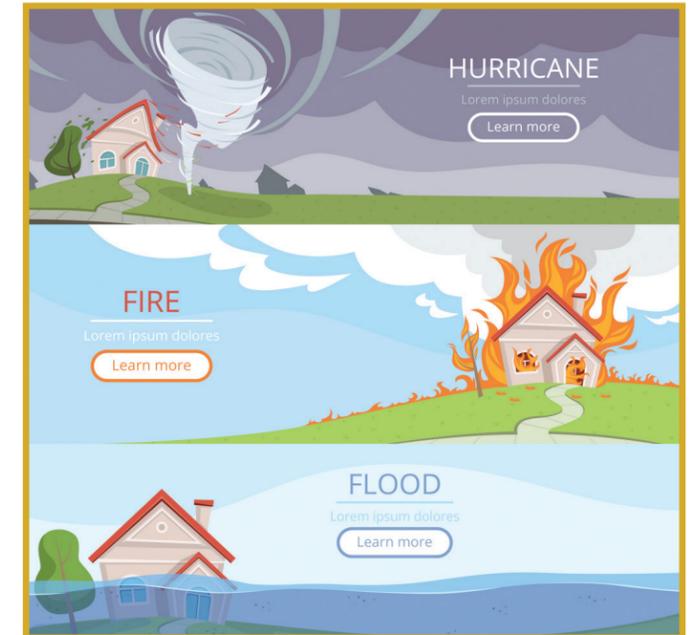
The county will grant up to an additional nine months if there is good cause for not repairing or replacing within the nine-month time frame. This possible extension can be very helpful to people living in areas where, due to widespread damage, rebuilding or repairing takes a long time because there simply aren't enough contractors available.

DISASTER ASSISTANCE

For traditional Medi-Cal recipients, disaster assistance payments received from any of the following sources are considered to be permanently exempt and not counted

either as income or property: federal, state and local government agencies and disaster assistance organizations.

The rules are slightly different in some cases for recipients of MAGI Medi-Cal, but for the elderly, disabled clients we assist with Medi-Cal eligibility, disaster relief payments, whether from insurance companies, government or charity, should not jeopardize Medi-Cal benefits.



MEET MADISON GUNN



We have a new associate attorney that we're very excited to welcome. Madison Gunn has been practicing law in Northern California for the past two years. Her focus on assisting individuals and families with their estate plans and special needs planning makes her a great fit for Absolute Trust Counsel.

She earned her law degree from John F. Kennedy University College of Law,

and a B.A. in Liberal Studies from California State University, East Bay. While in school she participated in the Elder Law Clinic and assisted low income seniors with their estate plans through Contra Costa Senior Legal Services.

Prior to law school, she worked as a legal assistant at a workers' compensation law firm and was a stay at home step-mom. Before that, she worked at a local lumber yard where she served the community of Walnut Creek with their building needs and where she met her husband.

Outside of work, she enjoys spending time with her husband, step-children, and her dogs. She enjoys reading, cooking, and camping.

If you no longer wish to receive our newsletter, please send an email to info@absolutetrustcounsel.com.