## Welcome!

(FREE FOR ALL TO ATTEND!)

## FORUM RECAP

May 21 - Part I
Housing Challenges and Opportunities
Home Care Challenges

$$
\text { May } 29 \text { - Part II }
$$

Live Interview: Governing in a Pandemic COVID-19 and its Impact on Seniors: NYSOFA Update

> Today - Part III

Financial Issues in Aging and Disability
Elder Financial Abuse: Prevention and Cures

## Financial Issues in Aging and Disability



Peter Gordon Raymond Bob Vandy Frank Melia New York Radigan Advisors Quontic Bank Financial TD Wealth Insurance Brokers
Organizers, Inc.

## FINANCIAL ISSUES IN AGING AND DISABLED

Budgeting To Meet Their Goals
Peter Gordon, CSA, CDMM President
ny
fo
New York Financial Organizers

## DAILY MONEY MANAGER (DMM)

- Deliver essential financial services to:
- seniors and older adults
- people with disabilities
- busy professionals
- high net worth individuals, small businesses


## BIO / BACKGROUND

- MBA Finance
- NYC Business owner / entrepreneur
- Managed parents financial affairs
- Certified Senior Advisor
- Certified Daily Money Manager
- Orion Resource Group / AADMM


## TRUSTED ADVISORY TEAM



## NYFO PROCESS

- Download checking and credit card transactions into Quicken
- Done virtually using LastPass, Dropbox and password protected Excel files
- Prepare and review monthly Income and Expense Reports
- Provide "Financial Snapshots"


## CASE STUDY: <br> HARRIET P

- 93 year-old retired teacher
- LTC policy holder
- Condo Owner
- 24-hour home health care aide
- LTC benefit is being depleted


## CASE STUDY: INCOME \& EXPENSE REPORT



## CASE STUDY: FINANCIAL SNAPSHOT

| Assets |  |  |
| :--- | ---: | ---: |
| Checking xx1234 | $\$$ | 12,354 |
| Savings xx4567 | $\$$ | 7,500 |
| TIAA IRA | $\$ 40,000$ |  |
| Approx Condo Value | $\$ 375,000$ |  |
| Total Assets | $\$ 434,854$ |  |
| NETORTH | $\$ 431,859$ |  |


| Liabilities |  |
| :--- | ---: |
| MC xx6789 | $\$ 2,472$ |
| Visa $\times x 1212$ | $\$ 523$ |
| Total Liabilities | $\$ 2,995$ |

## CASE STUDY: SOLUTION

- Took out first mortgage
- Proceeds given to third party
- Put condo into Irrevocable Trust
- Applied for Community Medicaid \& CDPAP
- Consumer-Directed Personal Assistance Program


## PLAN AHEAD

- Coordinate with Trusted Advisors
- Track income and expenses
- Monitor assets \& liabilities
- Consider LTC Insurance


## Personal Information and Summary of Financial Goals

| Mark and JeanSmith |  |  |
| :---: | :---: | :---: |
| Needs |  |  |
| $10$ | LTC/ Expense |  |
|  | $\text { In } 2043$ <br> Recurring every year for a total of 3 times | $\begin{aligned} & \$ 120,000 \\ & \text { Base Inflation Rate plus 3.10\%(5.00\%) } \end{aligned}$ |
| 10 | LTC Insurance (est'd / Jt) |  |
|  | In 2020 <br> Recurring every year until End of Mark's Plan | \$6,750 <br> No Inflation |
| 10 | Medical / Medicare ('24 forward) |  |
|  | In 2024 <br> Recurring every year until End of Plan | $\$ 9,000$ <br> Base Inflation Rate plus 4.10\%(6.00\%) |
| 10 | Auto Insurance (est'd) |  |
|  | $\text { In } 2020$ <br> Recurring every year until End of Plan | $\$ 1,100$ <br> Base Inflation Rate (1.90\%) |
| 10 | Utilities (est'd) |  |
|  | $\text { In } 2020$ <br> Recurring every year until End of Plan | $\$ 3,780$ <br> Base Inflation Rate (1.90\%) |
| 10 HOA, RE Taxes, HO \& Umb Ins(est') |  |  |
| $\qquad$ |  |  |

## Personal Information and Summary of Financial Goals

Mark and JeanSmith


## Personal Information and Summary of Financial Goals

| Mark and JeanSmith |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| 7 Travel |  |  |  |  |
| When both are retired Recurring every year for a total of 15 times | \$1 <br> Base Inflation Rate (1.90\%) |  |  |  |
| Personal Information | Participant Name | Date of Birth | Age | Relationship |
| Mark | Ben | 09/28/1994 | 25 | Child of Both |
| Male - born 01/05/1958, age 62 | Sydney | 10/19/1989 | 30 | Child of Both |
| Retired |  |  |  |  |

Jean Smith
Female - born 04/16/1958, age 62
Retired
Married, USCitizens living in NC
-This section lists the Personal and Financial Goal information you provided, which will be used to create your Report. It is important that it is accurate and complete.

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.
Prepared for : Mark and Jean Smith
06/01/2020

## Net Worth Summary - All Resources

This is your Net Worth Summary as of 06/01/2020. Your Net Worth is the difference between what you own (your Assets) and what you owe (your Liabilities). To get an accurate Net Worth statement, make certain all of your Assets and Liabilities are entered.


See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.
Prepared for : Mark and Jean Smith
06/01/2020

## Current Portfolio Allocation

This page shows how your Investment Assets are currently allocated among the different Asset Classes. It includes only those Assets you have identified to fund Goals in this Plan.


## What If Worksheet

| Monte Carlo Results | Likelihood of Funding All Goals |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Your Confidence Zone: 75\% - 90\% | 69\% <br> Probability of Success <br> Below Confidence Zone | $83 \%$ <br> Probability of Success In Confidence Zone |  |  |
| Total Spending | \$4,452,698 | \$4,452,698 | \$4,812,695 | \$4,628,172 |
| Key Assumptions | 55Cash 45E / SS1@62 | 50E 50F / SSlat PRA | 50E 50F / LTCExp | 50E 50F / LTCIns |
| Stress Tests |  |  |  |  |
| Method(s) | Bad Timing <br> Program Estimate <br> Years of bad returns: $\begin{aligned} & \text { 2020: -11.16\% } \\ & \text { 2021:-3.54\% } \\ & \hline \end{aligned}$ | Bad Timing <br> Program Estimate <br> Years of bad returns: $\begin{aligned} & \text { 2020: -15.94\% } \\ & \text { 2021: -5.52\% } \\ & \hline \end{aligned}$ | Bad Timing <br> Program Estimate <br> Years of bad returns: $\begin{aligned} & \text { 2020: -15.94\% } \\ & \text { 2021:-5.52\% } \\ & \hline \end{aligned}$ | Bad Timing <br> Program Estimate <br> Years of bad returns: $\begin{aligned} & \text { 2020: -15.94\% } \\ & \text { 2021:-5.52\% } \\ & \hline \end{aligned}$ |
| Hypothetical Average Rate of Return |  |  |  |  |
| After Retirement : | Current | Mod | Mod | Mod |
| Composite Return : | 4.11\% | 4.86\% | 4.86\% | 4.86\% |
| Composite Standard Deviation: | 7.10\% | 8.25\% | 8.25\% | 8.25\% |
| Total Return Adjustment : | 0.00\% | 0.00\% | 0.00\% | 0.00\% |
| Adjusted Real Return : | 2.21\% | 2.96\% | 2.96\% | 2.96\% |
| Base inflation rate : | 1.90\% | 1.90\% | 1.90\% | 1.90\% |

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.
Prepared for : Mark and Jean Smith
06/01/2020

- Indicates different data between the Scenario in the first column and the Scenario in any other column


## Worksheet Detail - Inside the Numbers Final Result

## Inside the Numbers - Final Result For 55Cash 45E / SSI@62

- The graph below shows the results for all 1000 Monte Carlo Trials.
- The Probability of Successmeter displays the percentage of trials that were successful in funding all of your goals,
- We identify the Confidence Zone as a probability of Success between $75 \%$ and $90 \%$



## Worksheet Detail - Inside the Numbers Final Result

## Inside the Numbers - Final Result For 50E 50F / SSIat FRA

- The graph below shows the results for all 1000 Monte Carlo Trials.
- The Probability of Successmeter displays the percentage of trials that were successful in funding all of your goals
- We identify the Confidence Zone as a probability of Success between $75 \%$ and $90 \%$.



## Worksheet Detail - Inside the Numbers Final Result

## Inside the Numbers - Final Result For 50E 50F / LTCExp

- The graph below shows the results for all 1000 Monte Carlo Trials.
- The Probability of Success meter displays the percentage of trials that were successful in funding all of your goals
- We identify the Confidence Zone as a probability of Success between $75 \%$ and $90 \%$.

$55 \%$
Probability of Success Below Confidence Zone
(75\% - 90\%)



## Worksheet Detail - Inside the Numbers Final Result

## Inside the Numbers - Final Result For 50E 50F / LTCIns

- The graph below shows the results for all 1000 Monte Carlo Trials.
- The Probability of Successmeter displays the percentage of trials that were successful in funding all of your goals
- We identify the Confidence Zone as a probability of Success between $75 \%$ and $90 \%$.


- Prior Trials - Average Return — Bad Timing - Mark's Plan Ends - 2045 Jean Smith's Plan Ends - 2053

In the table below, values are shown for the 99th, 75th, 50th, 25 th and 1st percentile trials based on the End of Plan value. For each trial displayed, the corresponding portfolio value is based on the End of Plan value. For each trial displayed, the corresponding portfolio value
illustrated for specific years of the plan. These trials serve as checkpoints to illustrate how the portfolio might perform over the life of the plan.

| Trial Number | Percentile | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | End of Plan Future Dollars | End of Plan Current Dollars | Year Money Goes to \$0 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 10 | 99th Percentile | \$3,888,281 | \$5,393,402 | \$8,456,377 | \$11,726,680 | \$14,133,875 | \$13,791,927 | \$7,411,001 |  |
|  |  |  |  |  |  |  |  | \$2,500,940 |  |
|  |  |  | \$3,349,387 | \$2,466,600 | \$3,134,545 | \$3,372,789 | \$2,477,138 | \$1,331,074 |  |
| $\begin{gathered} 06 / 0802020 \\ 990 \end{gathered}$ | 25th Percentile 1st Percentile | $\begin{aligned} & \$ 2,780,070 \\ & \$ 2,761,685 \end{aligned}$ | $\begin{array}{r} \$ 3,639,289 \\ \$ 2,099,962 \end{array}$ | $\begin{aligned} & \$ 3,962,280 \\ & \$ 1,110,122 \end{aligned}$ | $\begin{array}{r} \$ 3,424,586 \\ \$ 267,981 \end{array}$ | $\begin{array}{r} \$ 1,830,837 \\ \$ 0 \end{array}$ | $\begin{array}{r} \$ 277,499 \\ \$ 0 \end{array}$ | $\begin{gathered} \$ 149,112 \\ \$ 0 \end{gathered}$ | 2041 |

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## 2020 Pierro, Connor \& Strauss Elder Law Forum

Financial Issues in Aging \& Disability
June 4, 2020 - Bob Vandy, CLU, ChFC, LUTCF, CLTC - President - AIB

## Current Insurance-Based LTC Cost Financing Options in NY

## WHY is private financing so important?

- Traditional/Standalone LTC Insurance
- Traditional or NYS Partnership
- "Hybrid" or "Combo" Policies
- Life Insurance w/Rider - 2 forms:
- "Linked Benefit" (often funded with a lump sum or over a short period of time)
- Life Insurance with an "Acceleration" or "Living Benefit" rider
- May be LTCI or "Chronic Illness" riders



## Traditional LTC Insurance Status

## IB Advisors <br> AIB Insurance Brokers

- Fewer carriers
- Tighter underwriting
- Sex distinct rates
- Premium volatility - why?
- The "windshield" vs. the "rear view mirror"
- NYS Partnership LTCI status
- "Reimbursement" vs. "Indemnity" or "Cash Indemnity" claim methodology



## Traditional LTC Insurance

## AIB <br> Advisors <br> Insurance <br> Brokers

- How does it work?


Our Policy is Taking Care of You
Long-Term Care | Life | Disability | Annuities | Medicare | Benefits www.advisorsib.com | Toll-free: 800-695-8224


## Traditional LTC Insurance

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- How does it work?


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## Hybrid/Combo Plans

## AIB <br> Advisors <br> Insurance <br> Brokers

- Linked Benefit
- Often funded with a single premium payment; sometimes funded over 3,5,7,10 years


Our Policy is Taking Care of You
Long-Term Care | Life | Disability | Annuities | Medicare | Benefits www.advisorsib.com | Toll-free: 800-695-8224


## Hybrid/Combo Plans

## AIB <br> Advisors <br> Insurance <br> Brokers

- Life Insurance w/ Acceleration (or "Living benefit") rider



## Summary of Benefit Per Premium Dollar

| Policy Type | Premium | LTCl Benefit "Pool" Amount | Other Features |
| :--- | :--- | :--- | :--- |
| Traditional LTCI | $\$ 211.23 /$ month | $\$ 300,000 / \$ 6,000 /$ mo. | Premium, less claims, <br> refunded at death; <br> premiums not guaranteed |
| Linked Benefit | $\$ 66,622 /$ single | $\$ 300,000 / \$ 6,000 /$ mo. | $\$ 300,000$ death benefit, <br> reduced by LTC/chronic <br> claims (to a min.); premiums <br> guaranteed |
| Life Insurance <br> w/rider | $\$ 406.00 /$ month | $\$ 300,000 / \$ 6,000 /$ mo. | \$300,000 death benefit, <br> reduced by LTCI/chronic <br> claims; premiums <br> guaranteed |

## Which is "best?" - Things to Consider

- Benefit per premium dollar - Traditional LTCI has the edge
- Reimbursement vs. Indemnity/Cash benefit payout
- Traditional LTCI mostly Reimbursement; Hybrids either
- Premium guarantees - Traditional LTCI, no; Hybrid, yes
- Death benefits

- Hybrids $=$ more; Return Of Premium may be added to Traditional LTCI
- Coordination with other planning (e.g. Trusts)
- Life w/rider is more flexible
- Tax Incentives


## Covid-19 and LTC Planning - Claims \& Underwriting

A New York Long-Term Care Brokers, Led. Company

- Claims:
- Claims are typically paid on LTCI (in whatever fashion), even for Covid-19 related claims
- Exception for fraud
- Underwriting:
- Carrier 1 - not accepting business Age 65+

- Carrier 2 - modified requirement for in person interview to Age 65+ (from age 70+)


## CONTACT US TODAY

518-371-5522
Toll-free: 800-695-8224
advisorsib.com

## Virtual Elder Law Forum 2020

- Our Goal is to support and keep our Senior Homeowners safe in their home.
- Aging in Place requires a Financial Assessment
- We offer borrowing options for Medicaid recipients $\&$ homes transferred into Medicaid Asset Protection Trusts

What are the expenses of Aging In Place:

- Home Repairs (normal wear \& tear)
- Accommodating wheel chairs, make home safer
- Home Health Care - Private Pay Care



## H.E.C.M. - Long Term Care Planning

- Income requirements - APPROVED
- Approximately \$150,000 available in L.O.C.
- Pay off existing \$50K H.E.L.O.C.
- Free up $\$ 230$ per month (HELOC payment)
- Provide \$100,000 for Long Term Care costs and home improvement to accommodate
 Aging in Place


## How to Contact Us:



Frank Melia, V.P. Lending - 888-954-7463

- fmelia@quonticbank.com
- 20 Years Experience working with Senior Homeowners
- Schedule your PERSONALIZED 15 MINUTE WEBINAR TO LEARN MORE---CALL 888-954-7463

Trust Lending / HECM Loans / Portfolio Lending SERVICE TO ALL NY COUNTIES

# Questions for our Panel? 

ELF

- Fill out the survey immediately following the program
- Social Workers: submit evaluations for credit
- Thank you for joining us - see you at the


## 26 ${ }^{\text {th }}$ Annual ELF!

ELF

