

Student Loans and... Seniors?

Boomers Are the Fastest Growing Segment of Borrowers

When you think of student loans, you might imagine young people financing their educations or graduates struggling to make payments on a huge amount of debt. Yet over 2.8 million people age 60 and older have one or more student loans—some for their own education, others to help a child or grandchild by co-signing a student loan through a private lender—with an average balance of almost \$24,000.

Worse, seniors with outstanding student loans are more likely to report they forego necessary health care because they cannot afford it. Of borrowers over age 65, 37% are in default, some even having their Social Security benefits withheld because of student loans that have gone into default. And keep in mind, declaring bankruptcy does not wipe out student loan debt.

What can you do if a parent or grandparent is struggling with student loan debt? First, ask for help: the Department of Education's Federal Student Aid website (studentaid.ed.gov/sa) has details.

Then consider protecting assets, both now and after the senior's death. Leave assets in a fully discretionary Trust to protect them from student loan debt and other creditors. Leave IRAs and other retirement accounts in a Trust for similar reasons: an inherited IRA does not qualify for bankruptcy protection, while leaving an IRA in a Trust can provide protection from creditors.

Asset protection is an important part of estate planning. To protect yourself from creditors—as well as a wide variety of other legal and financial pitfalls—call our office to schedule an appointment. We can help you protect the fruits of all your labor, and ensure those assets are passed on to your loved ones the way you intend.

How to Work Well With Younger Colleagues

Bridging the Gap Is Easy with the Right Approach

Suddenly, it hits you: most of the people you work with are years, possibly decades, younger. Impossible challenge? Not necessarily. There are many ways to work successfully with different generations.

Share experience your colleagues do not have. You may not be able to offer help with social media, but you know plenty about managing interpersonal dynamics, resolving conflicts, working with diverse personalities... help your colleagues solve problems school didn't teach them to overcome.

Ask for help. Asking for help isn't a sign of weakness; it's a sign of strength. Asking for help implicitly shows you respect the other person's knowledge and skills. And it will make other people feel more comfortable asking you for help when they need it.

Don't try to beat them. Join them. Millennials communicate differently: Through social channels, by text and online collaboration tools, etc. You should too. Times change for a reason. Change with them.

Show the respect you wish to receive. Offer praise. Recognize hard work. Say thanks. Treat your colleagues the way you wish them to treat you... and, believe it or not, they will.

Want to Enjoy Your Retirement Years with Less Stress?

Start Paying Down Debt Now

Many retirees live on a relatively fixed income, having carefully mapped out their future needs and arrived at a monthly figure that ensures they will not run out of money. But carrying out that plan can be difficult when you are still struggling to pay off consumer debt—after all, any funds used to make payments are funds that cannot be used for living.

Don't let that happen to you. Start reducing your debt load now. Begin by ensuring you spend less than you make. Cut out any expense you don't truly need (or even use): Subscriptions, premium cable, eating lunch out every day... take a hard look at your monthly expenses and only keep the items you need. **Mint.com** and similar resources can be a great way to see where your monthly funds are going.

Then put the money you save toward paying down debt. Start with the debt that carries the highest interest rate. In most

cases that will be credit card debt. Don't just make the minimum payment. Pay as much as you can each month until that debt is paid off. Then use the money you would have paid toward that credit card to pay down another debt. The result is a snowball effect: as you pay off one debt and then another, the amount of money you have available to pay off another debt naturally increases.

Keep in mind not all debt is bad. A home mortgage, for example, can provide tax benefits. But consumer debt—credit cards, installment accounts, auto loans, etc.—only benefit the people from whom you borrowed the money.

Working hard to pay off debt will help ensure that when you retire your expenses will not exceed your income... but in the meantime, it will also make your everyday financial life easier and less stressful. Win-win!

Prepare Because You Care

What You Leave Behind Is Important, But So Is How You Leave It

Granted, planning for your death—or incapacity—is far from fun to consider. Yet failing to create an effective estate plan can create legal and financial problems while also increasing the emotional upheaval your family will experience. Preparation and planning isn't just the smart thing to do, it's the caring thing to do for your spouse and loved ones.

Legal and financial planning is vital. Establish property and healthcare powers of attorney to ensure the persons you select are able and willing to make decisions on your behalf. Set up trusts and other estate planning tools to protect assets from creditors of beneficiaries, minimize the effect of estate taxes, and distribute assets according to your wishes. Don't leave your loved ones unprepared to deal with any financial or legal matters that may occur from your incapacity or death.

Then, once your estate plan is in place, make sure you work to avoid surprises and potential conflict. Even the best plan can cause disputes if the details and provisions of your plan come as a surprise to your loved ones. Research indicates that less than a third of people discussed their estate plans with their children before they passed away, and as a result many quarreled over inheritance issues. On the other hand, most families who report having no disputes over inheritance issues say they received advanced notice of what to expect, and as a result most felt they were treated fairly. Even if your intentions are straightforward and simple, discussing the de-

tails with heirs and family members gives you the opportunity to avoid disagreements or arguments before you pass away and can no longer provide clarity about your wishes.

Say you plan to leave more of your assets to one of your children rather than splitting them evenly. Let everyone involved—especially the children who will receive less—know why you made that decision. Or say you decide to almost completely disinherit a daughter, not because she has done something wrong but because she has achieved incredible professional success. Perceived slights can grow into resentment and eventually can boil over into open conflict when one heir is surprised by what he or she perceives as unfair treatment.

Make your intentions clear during your lifetime. Never set up a “reading of the will” scene like you see in the movies. Avoid conflicts after your death that you could have settled during your lifetime. Always communicate openly and honestly with your heirs before you pass away.

Communication is everything. Talk to your parents about their plan. Talk to your children about your plan. Talk to your children about their plans. And talk to us about creating an estate plan that ensures what you intend to happen will, in fact, happen.

Preparing is caring.

Guess This Legacy

She was an Oscar-nominated actress, singer and dancer. She earned the Jean Hersholt Humanitarian Award for decades of work promoting awareness and treatment of mental health issues and raising millions of dollars for the Mental Health Center at Cedars-Sinai and UCLA's Operation Mend, which assists military veterans.

Her daughter played an iconic role in one of the most successful movie franchises in history, was a bestselling author, supported the Make a Wish Foundation and the Alzheimer's Association, and was widely praised for

speaking openly about her struggles with bipolar disorder and drug addiction.

Debbie Reynolds died one day after her daughter, Carrie Fisher, passed away. For years, the two had stopped speaking, only becoming close again later in life. While their philanthropic contributions are extremely noteworthy, the example they set by re-establishing family bonds is one many estranged families can hope to emulate.

What will your legacy be?

Science Says Reading Is Great for Your Health

Reading Isn't Just Fun, It Can Also Improve Your Health and Emotional Well-Being

For example: **Reading can reduce stress.** According to the *New York Times*, "Reading has been shown to put our brains into a pleasurable trance-like state similar to meditation, and it brings the same health benefits of deep relaxation and inner calm. Regular readers sleep better, have lower stress levels, higher self-esteem, and lower rates of depression than non-readers."

Reading can improve memory and help prevent Alzheimer's.

According to the Haskins Laboratories at Yale University, "Reading can be great for your memory. [It] works different parts of the brain than watching a movie or listening to music does. People who read more have more complex brains. The mental activity of reading helps to keep memory sharp."

Reading can increase brain functions. An Emory University study found that reading enhances connectivity in the brain.

(The study also found that when a person is reading fiction, his or her ability to empathize improves.)

Reading can increase creativity. Reading allows you to delve into relationships and experiences you otherwise may not have had the opportunity to experience. These new ideas and perspectives allow your mind to grow and work harder to understand the world around you.

Reading can make you happier. The Booktrust Reading Habits Survey reported that 76% of respondents said reading improves their lives and helps make them feel good.

Other findings of the survey show that reading regularly leads to a happier, more satisfied and worthwhile life.

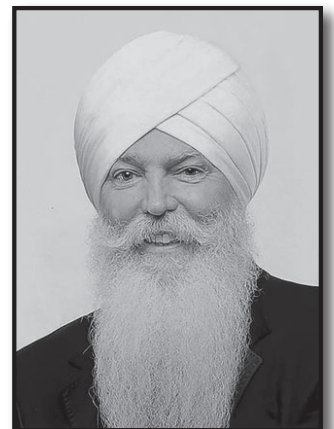
What are you waiting for? Go grab a book!

Compliments of The Khalsa Law Firm, P.C.

S.J. Khalsa, a 23 year member of the American Academy of Estate Planning Attorneys, has been providing highly personalized Estate Planning services to the New York community since 1974. He helped initiate the popular use of the Living Trust in New York State over two decades ago and continues to use it to offer clients real protection and give them true peace of mind.

With the publication of his book, *Estate Planning Essentials: A Guidebook for Today's Modern Families*, S.J. has joined an elite group of published lawyers and is a recognized authority in the field. He has assisted countless clients in preserving their assets, avoiding probate, and reducing their taxes. His firm provides Estate Planning, Wills, Trusts, Estate Administration, Probate, as well as Planning for Children with Special Needs, Elder Law, Medicaid and Asset Protection. S.J. is also available for private speaking engagements upon request.

For more information please call (212) 973-0100 or visit www.khalsalaw.com to obtain special Estate Planning reports and resources.



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