



HB FINANCIAL GROUP LLC

FINANCIAL SERVICES & WEALTH MANAGEMENT



A Note From Harriett:



HB Financial Group will be a drop off site again this year for Toys for Tots!



We welcome our clients and community to drop off a toy at our office any day from November 11th - December 18th for the Toys for Tots Program annual toy drive. The mission of the U. S. Marine Corps Reserve Toys for Tots Program is to collect new, unwrapped toys during October, November and December each year, and distribute those toys as Christmas gifts to less fortunate children in the community in which the campaign is conducted.



**Drop off hours are 8:30am to 4:30pm Monday - Thursday,
November 11th - December 18th, 2019, 28 Amity Street 1C, Amherst**



 **Financial Planning Newsletter - Fall** 

November is Long-Term Care Awareness Month

Presented by Harriett E. Barnes



We're proud to support this important educational campaign. According to the American Association for Long-Term Care Insurance, the U.S. Congress has urged "the people of the United States to recognize (this) as an opportunity to learn more about the potential risks and costs... and the options available."

We see this month as an appropriate time to honor those you know who have dedicated their time and energy to caring for a loved one, as well as a time to reflect on the plans you have in place for yourself, should you ever need care for an extended period of time.



Often, people don't ask for help until *after* they are facing a long-term care need. They may have believed it wouldn't happen to them, or that they had sufficient savings to handle such an event.

Unfortunately, these individuals also don't realize the potential burden their loved ones could face in becoming their caregivers, not to mention the financial consequences. Paying for care out of pocket can place families in a difficult financial position.

But there's a way to avoid such situations while helping to protect your family's financial stability. That's by creating a long-term care plan that seeks to keep you safe at home, while preserving and protecting the emotional, physical, and financial well-being of those you love.

I welcome the opportunity to meet with you to discuss the importance of creating and maintaining a long-term care plan. If you would like to meet with me or if I can answer any questions please feel free to call the office at 413-256-0677.

Tips for Avoiding 4 Common Holiday Cyberscams



For many of us, the holiday season is a wonderful time of year. Unfortunately, it can be especially profitable for cybercriminals. Because of increased online shopping, we almost always see a significant increase in cyberscams during November and December. To help you avoid becoming a victim of holiday cybercrime, here are a few of the top scams to watch out for.

1) Fraudulent shipping notices

During the holiday season, it's very likely that you will ship at least a couple of packages directly to your loved ones or have online purchases sent to your home. This makes the shipping notice scam a popular one for cyberscrooges. Here's how it works. The scammer crafts an e-mail, purportedly coming from UPS or FedEx, notifying you of a problem delivering your package. To resolve the issue, you need only click on a link in the e-mail message or open an attached invoice. Of course, doing so will install malware or ransomware on your computer or device.

Don't fall for it. Be particularly wary of e-mails claiming to come from any courier service. If you do receive a message like the one described above—whether you believe it to be legitimate or not—go to the website of the company with which you may have placed the order. You should be able to track your package from the retailer's site. Use the tracking number for the courier service that the retailer provides. You can also go directly to UPS.com or FedEx.com and obtain the delivery status there. Whatever you do, **don't click on any links or download any attachments in the original message.**

2) Bogus refund notifications

This phishing scam is designed to steal your personal and financial information. Typically, an e-mail will appear to have come from an e-commerce company like Amazon, eBay, or Overstock and claim that something has gone wrong with your recent order. You will be prompted to click on a link in the message to obtain your refund. Unfortunately, if you do, you will be taken to a dummy website set up to look like a legitimate sender. There, you will be asked to fill out a form with your financial information to let the sender know where it can issue your refund.

Don't fall for it. Again, to check the status of any order you may have placed, go to the company's website directly (e.g., Amazon.com, eBay.com). If the company doesn't offer the ability to check an order's status, verify the transaction by calling the firm at a phone number that you know is legitimate.

3) Voucher and gift card giveaways

This scam is seen year-round but more often during the holidays. These bogus offers are most commonly delivered by cybercriminals through social media, usually through a friend's hacked account or a fake company page set up to look as if it's legitimate. Appearing to originate from an entity like Best Buy, IKEA, or Whole Foods, the offer claims that the company is giving away hundreds or thousands of dollars in gift cards. But if you follow the instructions provided to obtain your gift card, you will likely be led to a phishing form that asks for your personal information.

Don't fall for it. Remember, if something seems too good to be true, it probably is! If the post appears to come from a friend, call or text him or her to ask if it's legitimate. In addition, be wary if the "official company page" looks a little off. Check how many followers the website has. The retailer's authentic website may have hundreds of thousands or millions of followers. Further, a huge promotion such as the one described in the offer you received would also be listed on the retailer's website, so check there directly or call the company's customer service number.

4) Website vendors that take orders but don't deliver

Many popular and novelty items may be sold out and on backorder until after the holidays. Or they may be hard to find from mainstream merchants altogether. So it's not uncommon for consumers to search online for a less well-known vendor that may have the items. But beware! Another favorite holiday scam is staged through shady websites claiming to have hard-to-find items in stock. These sites trick you into paying for the items with no intention of delivering them. Often, these entities are based overseas. **Don't fall for it.** Search the [Better Business Bureau \(BBB\) website](http://Better Business Bureau (BBB) website) for customer reviews and the accreditations of merchants that are unfamiliar to you. In addition, because not all businesses are listed with the BBB, you might want to hunt elsewhere on the web for reviews posted by other consumers. If you can't find much information on the vendor, stay away!

More tips for protecting yourself from holiday scams

- **If possible, use credit cards for online transactions.** If you fall for one of these scams and unknowingly hand over your debit card information, it's easy for the cybercriminal to drain your bank account quickly. Purchases made with credit cards typically offer more consumer protections.
- If you're uncertain about the legitimacy of a website, **check its safety rating on ScamAdviser.com or URLVoid.com.**
- If searching for an item on a lesser-known merchant's website, **check for spelling and grammatical errors.** If found, these mistakes are a red flag that the site is most likely based overseas—indicating a possible scam.
- Avoid online shopping or conducting any financial transactions over an **unsecure Wi-Fi network.**

Fiction: The cost of Medicare is the same for everyone.   

Fact: The premium cost for Medicare (except for Part A) is means tested. When you first enroll, your modified adjusted gross income (MAGI) from two years prior to enrollment will determine your premium cost. If you were to enroll in 2019, your premiums would be based on your 2017 MAGI. There is a standard premium cost and, where applicable, an income-related monthly adjustment amount. Your cost is evaluated annually, so it may change from year to year based on your referenced MAGI.

Why You Might Want to Consider Repositioning Assets to Pay for Long-Term Care

Presented by Harriett Barnes 

Today, people are living longer than ever but not always in the best of health. In fact, most individuals will need some form of long-term care in their lifetime. The aging process often leaves them needing assistance with activities of daily living (e.g., bathing or dressing), or they may be affected by cognitive disorders (e.g., Alzheimer's disease). Unfortunately, the cost of care is high—and rising. According to the most recent Genworth Cost of Care survey, the national median cost of a nursing home stay is now \$100,375 per year (for a private room). Without a plan in place to pay for care, assets and income can be depleted quickly.

Putting a long-term care plan in place can give you an income stream to cover caregiving expenses, whether received at home, in an assisted-living facility, or in a nursing home. Plus, it helps protect assets you've earmarked for other purposes, as well as relieves your family of the burden of care.

Long-term care insurance hasn't always received the best press, however. Highly publicized rate increases may have you worried about your budget. Or you may be (understandably) reluctant to purchase a product you might not use. Before you decide to take the risk and self-insure, there's another option you might want to consider to help cover future long-term care costs.

Linked-benefit long-term care insurance

Linked-benefit products combine life insurance with long-term care benefits. By repositioning a portion of an asset (e.g., cash, CDs, money market funds, cash value from an existing life insurance policy, qualified money) into a linked-benefit product:

You get leverage by accelerating and extending the death benefit for long-term care.

If you don't need long-term care benefits, an income-tax-free death benefit will be available for beneficiaries.

You maintain control of the asset with a return-of-premium feature.

Premiums are guaranteed.

Premiums can be paid as a lump sum or in multiple payments.

Remember: A linked-benefit policy is not an expense; rather, it's simply an existing asset that you have repositioned into an insurance policy. This asset remains on your balance sheet. And by creating an income stream to pay for long-term care expenses, you can keep the rest of your portfolio intact—therefore protecting your assets, income, lifestyle, and legacy plans.

How it works

Suppose a 65-year-old married woman repositions \$100,000 from an existing CD into a linked-benefit long-term care product. That single premium is leveraged into a pool of \$320,000 for long-term care expenses, which will pay out \$4,000 per month for six years. (The pool of money and monthly benefit grow at 5-percent simple inflation.) If she changes her mind and wants her money back, she is guaranteed to get her full \$100,000 premium back after a 60-month surrender period. At age 85, her long-term care pool will have grown to \$605,000, with a monthly benefit of \$8,000.*

If you're interested in discussing how this strategy might be appropriate for your financial situation, please contact our office.

**This is a hypothetical example for illustrative purposes only. No specific investments were used. Actual results will vary. Past performance does not guarantee future results.*

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Fact or Fiction?

Fiction:

The only reason you need a durable power of attorney document is in case you become incapacitated.

Fact:

Although this document does allow you to appoint someone to handle your financial matters if you become incapacitated, you can also use it to authorize an agent to sign legal documents for you. For example, if you plan to travel out of the country for a lengthy period of time, you may appoint someone to handle your financial affairs while you are away.

Are You Looking for the Perfect Holiday Gift?

This year, the perfect holiday gift may not come in a box or be wrapped with a bow. Indeed, it may come in the form of paperwork to establish a 529 education savings plan. A 529 plan can serve as the financial foundation for a loved one's future education.

As you are likely aware, the cost of education continues to rise, and more families are finding it difficult to fund college tuition and related expenses. Establishing a 529 plan to which you, and others, can contribute is a meaningful and unquestionably valuable gift. In addition, starting a plan may provide some surprising benefits to you.

529 plan benefits to you

Many people consider 529 plans a good investment because they:

- Provide potential federal, state, gift, and estate tax advantages
- Offer flexibility and the ability to maintain control over assets
- Are easy to administer
- Have relatively minimal impact on eligibility for financial aid



Are you ready to give a gift that never goes out of style? Contact us at 413-256-0677 to learn more about how a 529 plan may fit your financial planning and gifting needs.

We also have Gifting Cards for you to give out to announce the opening of, or contribution to, a 529 plan as a gift.



The fees, expenses, and features of 529 plans can vary from state to state. 529 plans involve investment risk, including the possible loss of funds. There is no guarantee that a college-funding goal will be met. In order to be federally tax-free, earnings must be used to pay for qualified higher education expenses. The earnings portion of a nonqualified withdrawal will be subject to ordinary income tax at the recipient's marginal rate and subject to a 10-percent penalty. By investing in a plan outside your state of residence, you may lose any state tax benefits. 529 plans are subject to enrollment, maintenance, and administration/management fees and expenses.