STEWARDSHIP ADVISORS, LLC

Walking with you on your journey

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Do You Know What is in a Retirement Home Contract?

by Mark Brinser, CFP®

Contracts…lawyers love them, most people hate them. They are frequently filled with technical garbley-gook that most of us do not understand. They include fine print that people often feel set them up for no win situations. However, there is one contract in particular that we believe you should be reading carefully, a retirement community agreement.

Part of the application process when moving into a retirement community involves disclosing all of your finances. In addition, most retirement communities require an annual update of your finances. In previous decades, many individuals had a stable source of income, such as a pension, to cover their retirement community expenses. However, access to pensions have decreased substantially over the last few decades in favor of self-directed savings, such as IRA's and 401(k)'s, which obviously fluctuate with market conditions. This has created new issues for retirement communities because the amount of savings their residents have to contribute to their care can be adversely affected by the stock market.

In addition, many people develop legacy plans that include passing money onto their family or favorite charities before they pass away. In turn, this could mean even less money available for their care.

As a response, some retirement communities have begun adding stricter language in their resident agreements to address these very issues. For example, some communities require you to notify them of any financial gift over $500 before it is made. A recent agreement I read said that if a resident's family has adequate resources, they may be asked to provide financial assistance for the resident's care.

We certainly understand the position of the retirement communities. It is not reasonable to expect them to provide free long term care if residents gift all their money away. However, we also understand that many people like to continue gifting even after moving to a retirement community. So how do you balance these two issues? What are some solutions? One solution that we think needs to gain more traction is the concept of "lifetime care." The idea behind lifetime care is that the monthly fee is the same, whether you are in an apartment or require full time nursing care. This feature could make planning for future medical costs, and gifting, more manageable.

We feel this topic is so important that we will be hosting an educational event this fall to discuss these issues in further details. Our goal is to present all sides of the discussion so that you have the information you need to make good decisions. Stay tuned in the coming months for more information about this event.

Mutual Fund Companies can Finally Go Paperless

by Thomas Talbott CFP ®

One of the complaints we hear from clients is the amount of seemingly useless documents that land in their mailboxes. Well, here's good news for you: the U.S. Securities and Exchange Commission will no longer require mutual fund companies to mail biannual reports to shareholders who have not opted for e-delivery.

This will help the companies to "Go Green" and save greenbacks. While it will take months to fully implement, it will help bring the investment community into the 21st-century.

You can act now by contacting us to ensure we have your delivery preference correct and have your current email address on file. Or you can update this information with your advisor at your next meeting.

Have questions? Feel free to contact our office to schedule an appointment.

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Clients are asking...

by W. Lee Shertzer, CFP ®

How long do I keep...

Bills, mortgages, bank statements, brokerage statements, credit card statements—being an adult certainly does require a lot of paperwork. Here is a guide for how long you should keep different kinds of financial records before putting them through the shredder (and yes, it should be the shredder, not the trash).

Tax Documents: Keep tax-related records for seven years. The Internal Revenue Service (IRS) can audit you for three years after you file your return if it suspects a good-faith error, and the IRS has six years to challenge your return if it thinks you underreported your gross income by 25 percent or more.

Property Records: If you are a homeowner, you should keep documents related to the purchase of your home, as well as records of substantial improvements you have made. Keep these on hand for at least six years after you sell the home. Also, it's important to keep records of the expenses you may have incurred in buying or selling your home.

Mortgages and Other Loans: Keep documents related to mortgages and other types of loans, such as student loans or auto loans, at least until you have paid off the loan. It might be wise to keep these documents indefinitely in the event you are questioned about whether or not you repaid your loan.

Bank Records: It's a good idea to go through your checks once a year and to keep those related to your taxes, business expenses, home improvements and mortgage payments.

Credit Card Receipts and Statements: When your monthly statement comes in, you should check it against any physical receipts or bank records that record your purchases. After that, feel free to send them to the shredder.

Brokerage Statements: We always recommend holding on to quarterly brokerage statements until you have the annual summary in hand to make sure they match up. It's also wise to keep records of purchases and sales of securities in case you need to prove capital gains and losses at tax time.

Bills: Bills, bills, bills. If you're like most people, they make up the bulk of what's in your files. It is okay to shred most bills as soon as your payment clears. If you've made some big-ticket purchases, keep the bill as long as you have the item. You never know when you'll need to substantiate an insurance claim in the event of loss or damage.

Remember, as clients of Stewardship Advisors LLC, you can drop off any items you would like shredded and we will add it to our secure shredding service.

Welcome Leanne!

We are happy to introduce a new member of our staff. Leanne Adams joined our office as an Associate Financial Advisor. Leanne brings over 15 year's experience and a passion for helping clients achieve their financial goals.

Leanne was born and raised in Mechanicsburg before moving to Elizabethtown in 2008. She is an active member of Calvary Church where she and her late husband work with the Marriage Builders ABF.

Her nieces and nephews are her pride and joy. She loves spending time with them and investing in their lives.

In her spare time, Leanne relaxes by throwing pottery - a hobby she started four years ago. She also enjoys creating one-of-a-kind hand-built pottery pieces.

Leanne is also an avid traveler. On occasion, she has been known to jump from an airplane as she's taken up skydiving.