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May 2018 Newsletter



Protecting Seniors During National Older Americans Month

Every day over 10,000 Baby Boomers turn sixty years old. As a generation, seniors who are over sixty years old are titled “Older Americans.” In 1983, President Carter created May as National Older Americans Month.

During this month, professionals across the nation work together to bring awareness to issues that impact us as we age. From healthcare and medical coverage to finances and long-term care challenges, there is much to cover. While most of us do not want to be labeled as “Older Americans”, we need to take the time to realize how this group of individuals are targeted.

There are a number of marketing campaigns and resources targeted specifically at Older Americans. Many of them provide legitimate services for seniors. Unfortunately, there are also an increasing number of scams being developed that target this generation. We want to share several of the most prevalent scams right now and tips you can use to avoid them.

1. The insurance scam. Right now, there is a growing trend across the nation of scammers who target seniors with insurance products. From life insurance to home insurance, car insurance and credit card fraud insurances, there are over seventeen insurance scams targeted at Older Americans. While insurance may be a protection you would like to purchase with good reason, be sure to do your research on the company. Make sure the company you plan to work with is reputable and can actually provide the coverage it promises. (Continued on Page 2)

(Contd. from Page 1) 2. The tax lien scam. No matter what time of year it is, the tax lien scam is a very popular scam that especially targets Older Americans. In this scam, the senior receives a telephone call telling him or her that taxes are unpaid and a lien will be placed against their home, their car, or other assets unless payment is made immediately. If you receive this telephone call hang up the phone. Do not call the person back if he or she leaves you a message. Instead, contact the IRS directly and know the fact that the IRS will never call you. It will communicate through the mail.

3. The jury duty scam. The jury duty scam is on the rise. In this scam, the senior receives a telephone call, email, or phone call advising him or her of the need to report for jury duty on a specific date. There is a caveat, however, that if the senior calls the number provided or takes a directed action, he or she may not need to report for jury duty. The fact is that you cannot pay a fee and avoid jury duty. This is a scam. If you receive such a summons, be sure to contact your local courthouse to double check that you are, in fact, to report for jury duty.

These are just a few of the scams targeting seniors right now. The best protection you can take is to be prepared, stay informed and be on guard against potentially fraudulent communication. If you have questions about this or any other elder law issue, do not wait to contact our office.

5 Ways the New Tax Bill Can Help You and Your Family

The Tax Cuts and Jobs Act (TCJA) was signed into law and took effect earlier this year. As many of you may know, the new tax law brings significant changes to our tax future. Since the implementation of the tax bill there have been numerous articles and news reports on how it can and will change the tax structure.

The most pressing question on everyone's mind still appears to be, "Will I receive a more significant tax break or will my tax bill be larger in my future?" While these changes are different for each of us, there are similarities that we can find within the law for parents, seniors, caregivers and businesses. Even though most Americans will receive a tax cut, figuring out exactly how much your cut will be can be complicated.

Let us share five key considerations for how the new tax bill may be able to benefit you and your family.

1. The bill created a new family credit. The TCJA increases the amount of child tax credit (CTC) from \$1,000 to \$1,300 per child. Each parent and/or non-child dependent is now eligible for a \$300 credit, which can be claimed for a senior family member you are caring for, or for a child who is still reliant on you over the age of 18. This is especially important for caregivers to know and discuss with their accountant or tax preparer.

2. The standard deduction has almost doubled. In an effort to decrease the number of people needing to itemize deductions, the TCJA increases the standard deduction to \$12,000 for individuals and \$24,000 for married couples. In addition, various tax incentives, such (Continued on Page 3)



(Contd. from Page 2) as deductions for mortgage interest, retirement, and higher education have remained in place. Further, under this new law, we now have five tax brackets as compared to the seven we had previously. Families now fall within one of the following: 0 percent, 12 percent, 25 percent, 35 percent, or 39.6 percent. Start your research early to determine if your family will fall into a lower tax bracket so you can anticipate what could happen in the future.

3. Preservation of the medical expense deduction. For the next two years, Americans with high medical expenses will be able to deduct them. Specifically, medical expenses that exceed 7.5 percent of a person's annual gross income will be able to be deducted. This also includes out of pocket expenses and premiums that were not paid with pre-tax dollars.

4. Your 401k savings have remained the same. Despite a suggestion during session to cap the annual amount workers can put aside in their 401(k) accounts at \$2,400, the TCJA has left the popular retirement savings plan untouched. Rest assured, workers can still put away as much as \$18,500 per year in their 401k accounts without paying taxes on that money upfront.

5. Private K-12 education can now be paid through 529 plans. We all know how expensive saving for college can be, but what about K-12 education? 529 accounts, which previously allowed savings for college to increase without paying tax on investment gains, can now be used for up to \$10,000 in K-12 private and religious school tuition, providing parents with more education options for their children.

These are just a few of the ways the Tax Cuts and Jobs Act (TJCA) can impact you and your loved ones. We know how challenging taxes and preplanning can be, especially with these new variables to consider. If this article raises more questions than it answers, or if you are ready to discuss your estate planning in light of this new law, do not wait to schedule a meeting with Attorney Alan Hougum.



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Attorney Alan Hougum and his compassionate team will help you protect yourself and the people you love with strategic planning strategies, such as wills, asset protection and trusts, powers of attorney, estate trusts, elder law planning, Medicaid crisis planning, Medicaid eligibility and application, probate and estate administration, avoiding probate, charitable planning and giving, special needs, and estate tax planning. Hougum Law Firm, LLC, serves the entire Wausau, Wisconsin area.

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305 S. 18th Avenue, Suite 200, Wausau, Wisconsin 54401. Do you have questions you need answered before or after your appointment? Just let us know! Contact us by email at info@hougumlaw.com or call us at 715-843-5001.