

1528 Poole Blvd., Suite E
Yuba City, CA 95993
530-671-3308



www.planningforseniors.com
info@planningforseniors.com

November 2010

Newsletter

Volume 1, Issue III

Social Security Delays COLA Increases Until 2012

by Deborah Short, founder, Planning for Seniors, LLC



According to the Associated Press, with the latest announcement in October that there may be another Social Security freeze, senior citizens across the country are anticipating some difficult financial times. This announcement affects more than 58 million recipients of Social Security, who will go another year without an increase to meet the rising costs of living. It will mean waiting until at least 2012 to see an increase in Social Security checks.

The cost-of-living adjustments are set by a measure that Congress adopted during the 1970s, based on the Consumer Price Index. Social Security benefits will remain unchanged as long as consumer prices remain below the level they were at in 2008, the last time a COLA, or cost of living adjustment, was awarded.

Bette Baldwin is a 63 year old, retired teacher. ***"For people who have worked their whole life and tried to scrimp and save and try to provide for themselves, it's difficult to see that support system might not sustain you."***

Baldwin and her husband mapped out their retirements, carefully calculating their income based on their pensions and Social Security checks. Unfortunately, they expected an annual cost-of-living increase.

"When we cut back, we're cutting back on niceties," Baldwin said. ***"But there are other people that don't have anything to cut back on. They're cutting back on food and shelter."*** Jack Dawson, 77, said the freeze is the right move considering the state of the government and the American economy. ***"Who would be surprised what's happened?"*** he asked. ***"I feel this is the right decision in light of the malaise."***

More than 58.7 million people rely on Social Security checks that average \$1,072 monthly. It was the primary source of income for 64 percent of retirees who got benefits in 2008; one-third relied on Social Security for at least 90 percent of their income. Advocates for seniors argue the Consumer Price Index doesn't adequately weigh the costs that most affect older adults, particularly medical care and housing.

"The existing COLA formula does not account for the economic reality of the true costs that most seniors faced," said Fernando Torres-Gil, director of UCLA's Center for Policy Research on Aging and the first person appointed to the governmental post of assistant secretary for aging, during the Clinton administration.

This COLA freeze will affect millions of retirees living on fixed incomes, across the nation. The results of the mid-term elections will not impact 2011 Social Security monies, however, it's yet to be determined how elected officials will assist seniors in 2012 and beyond.

Fraud is on the Rise During the Holiday Season

Sadly, senior citizens are prime targets for would be thieves. During the holidays there is a spike in scamming activities. You can avoid being a victim of fraud by:

- 1) Remember the first rule of thumb: If it sounds too good to be true, it is.
- 2) If someone pressures you to act right away, or requires any kind of up-front investment, even for "shipping" charges, avoid doing business with them.
- 3) Never click on a link inside of an email.
- 4) Remember that your bank or financial institution will never call you and ask for your account number or social security number over the phone.

In the last year, one increasingly popular scam has been targeting consumers through email, primarily during the holidays, as that's when so many people ship packages. The email appears to be from the US Postal Service, Fed Ex, or UPS. It tells you that they are unable to ship your package because of an incorrect address label. The email encourages you to open an email attachment. The email attachment contains a virus that is called an Information Stealer. This virus attempts to collect personal data from your computer, like bank account transactions, and more.

The US Postal Service, Fed Ex, and UPS (or any other legitimate shipping service) **will NOT communicate with you via email**. If there is a problem shipping your package, they will alert you, and help you fix the problem, at the time of shipping. The rule of thumb is not to trust emails from people or companies you do not know, or that seem suspicious.



***Wishing You and Your Family the Healthiest,
and Happiest Of Holidays!***

On behalf of myself and all of us at Planning For Seniors, may you enjoy a bounty of prosperity, good times, and abundant rewards this season. It is truly our pleasure to work closely with so many amazing colleagues, families, and special members of the community.

2011

**Can You Believe It?
It's Almost Time for a
New Year!**

Now is an excellent time to start looking ahead to 2011. If you'd like to schedule an appointment to get your questions answered about aging issues and caring for your loved ones, please do not hesitate to contact us at 530-671-3308.



**1528 Poole Blvd., Suite E
Yuba City, CA 95993
530. 671. 3308**

Visit us online at

www.planningforseniors.com