



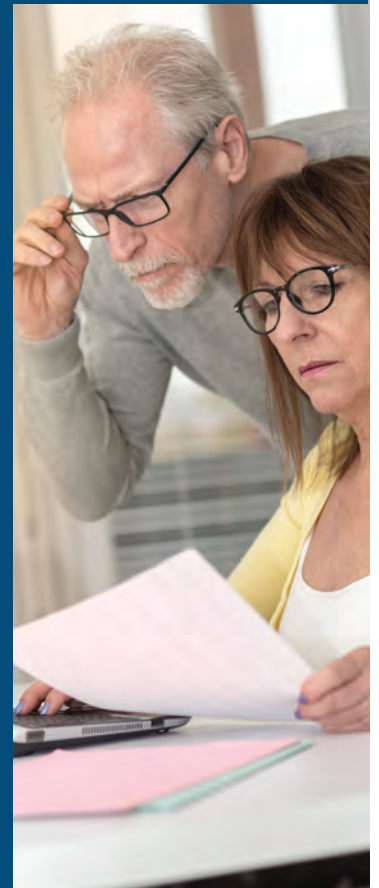
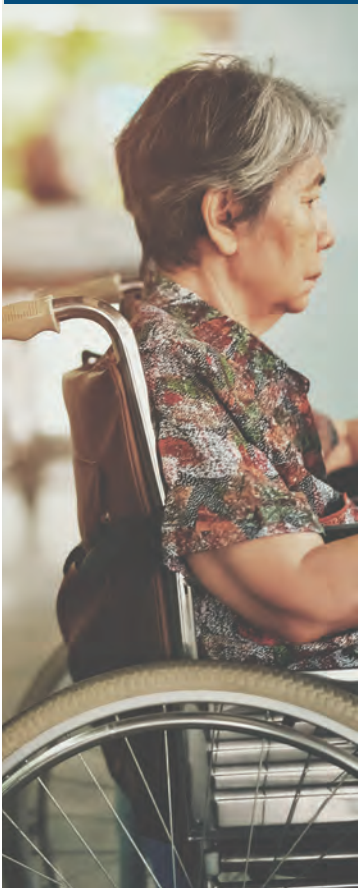
Understanding and Managing Post-Retirement Risks

A series of reports presenting highlights from the Society of Actuaries extensive body of research on post-retirement risks and issues.

 Aging and Retirement

Retirement Experiences of People Age 85 and Over

By Anna Rappaport



Innovations in care. Researchers could help identify where innovations are needed for in-home care, long-term care and housing for the 85 and over age group, as well as related issues for providers, seniors and their families.

Fraud. The important areas for future study continue to be on ways to prevent and deal with fraud and exploitation in the 85 and over population

TIPS BASED ON THIS RESEARCH

This collective research offers important information for individuals, advisors, organizations sponsoring employee benefits and companies that offer risk management products. The findings and observations reflect the special issues of women and consider different life circumstances by gender. Following are general tips for different stakeholders.

Tips for Retirees and Their Advisors

- **Maintain your health.** Stay involved in proper dieting, exercising and making social contacts. Consult with doctors and other medical providers to develop a healthy aging program.
- **Work with an attorney to put the right legal documents in place.** The major documents include wills, medical directives and powers-of-attorney. Trusts are a good solution in some cases. (Legal issues are vital, but beyond the scope of this report.)
- **Think longer term.** Things happen after age 85. It is important to remember that many people live to higher ages and to think longer term and plan for the rest of your life.
- **Remember, married couples often become singles.** A couple needs to plan to the end of life for the longer-lived partner. For married couples, a retirement plan should be designed to work for the couple, but also for each if one dies, or if they separate or divorce.
- **Don't forget long-term care planning.** A plan to manage long-term care is important. The SOA research shows that it is often forgotten.
- **Family is very important.** Family often steps in when needed to help with many tasks but is usually not considered during the planning process. Add family discussions to the planning.
- **Be careful about providing financial help to family.** Seniors often help family and sometimes provide funds that they need for their own security.
- **Maintain an emergency fund.** An emergency fund immediately offers funds for home and auto repairs, unexpected medical costs, family and other needs.
- **Households without family support should build a support network.** Households who do not have direct family support need to think about what type of support network they can build. This is particularly critical for people living alone. Options might include friends, neighbors, senior centers and senior housing communities.
- **Assess whether current housing will fit expected future needs.** Keep in mind that needs and possibly resources change over time. If it looks as if housing will not work because of physical limitations, distance from family or help or cost, then plan ahead and identify options that would work as a next step. This may include different options depending on specific needs.
- **Move if the current location does not fit your needs anymore.** Remember that some settings are much more age-friendly than others.
- **Maintain social contacts and look for new opportunities for social contacts.** People who lose friends and family may need to look for new contacts.

Tips for Individuals Who Are Helping Seniors

- **Spend time taking care of yourself.** Caregivers are under stress and it is important to maintain personal health and take time off from caregiving.
 - **Get additional help for care and finances if needed.** When there are tasks that are difficult, caregivers should seek out the help they need to keep things at a manageable level.
- Make sure legal documentation is in place.** The person being helped should have a will and documents to set forth how affairs will be managed if they can't make decisions. The caregiver should know where to access such documents.
- **Understand the resources that are in place for support.** If necessary, build the network that will help meet personal needs. In some cases that will include support groups tailored to the situation or local community organizations.
 - **Secure copies of all legal documents and financial information.** This applies to those who are helping with the elder's finances as well as others who need to know.
 - **The helper and the person being helped should define communication instructions.** What information can be communicated, to whom and when? The family often wants information, but the older person may want privacy with regard to health and financial issues. Some older individuals may be willing to communicate with some family members but not others. The helper or caregiver needs to take steps to avoid getting caught in the middle. Better communication is often a path to a better result, but each situation is different.
 - **Inform interested family members of the instructions.** Other family members often want to know the instructions. The person being helped and maybe the helper should communicate to all who need to know.
 - **Be prepared for the possibility of cognitive decline.** The helper working with the elder needs to know the person who has been designated to provide confidential advice should a conflict or troublesome situation arise.
 - **Learn about the person's philosophy and choices.** If working with medical decisions, understand the person's philosophy and likely choices about treatment, particularly near end of life. If a financial helper, discuss and understand philosophy about matters such as charitable giving, gifts to family and loans.
 - **Take active steps to minimize the chance of family conflict.** The helper should focus on what initial and ongoing steps will minimize the chances of conflict and should initiate them.

Tips for Financial Service Organizations and Employee Benefit Sponsors

- **Target financial wellness programs.** In designing financial wellness programs, remember that needs and situations change over retirement. This affects both retirees and the children of retirees. Messages should address these situations.
- **Expand educational materials.** Include educational information about widowhood, social networks, long-term care needs, housing and caregiving.
- **Consider enhancing financial products and support services for higher age individuals.** Enhanced products may receive additional acceptance in the marketplace.
- **Establish procedures for dealing with cognitive decline.** Include automated screening of transactions and instructions, procedures if passwords are changed and training of advisors, bank branch employees etc. (Different jurisdictions have different legal requirements.)