

FDIC Consumer News

Fiscal Fitness for Older Americans

Stretching Your Savings and Shaping Up Your Financial Strategies

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Helping Your Money Last... After Your Last Paycheck

A look at different ways to afford retirement

Today's seniors can expect a longer retirement than their parents. That means more years to finally do what *you* want to do, including travel and hobbies (not to mention spoiling the grandkids). But a longer retirement also means more years of money going out and no paycheck (or only a small one) coming in. That's why seniors need to be smart about how they pay for their retirement years.

"You really need to have a strategy to make sure your savings last," said Lee Bowman, National Coordinator of Community Affairs at the FDIC.

To help you set or adjust your own plans for affording retirement, **FDIC Consumer News** offers this look at some different sources of money, including some potential pitfalls to avoid. But first, remember that this is general guidance only. Your own need for retirement money will depend on factors such as your health-care costs or whether you plan to earn part-time income. As with any major financial decision, be sure to consult with financial advisors and loved ones to decide what strategies are best for you.

Social Security and Pension Benefits:

Your first order of business: Determine when the best time is to start tapping this money. For example, if you start receiving your Social Security benefits before your "full" retirement age (which could be anywhere from 65 to 67 under current laws), your benefits will be reduced *permanently*, and perhaps significantly, from what they would be at your full retirement age. And if you receive Social Security benefits early, but you continue to work and your earnings exceed certain limits, your benefits will be reduced even more until you reach full retirement age. On the other hand, if you delay collecting Social Security until after your full retirement age, you

can continue to work and still get your full retirement benefits, or even higher benefits, no matter how much you earn.

Here's basic guidance from the Social Security Administration (SSA): "As a general rule, early retirement will give you about the same total Social Security benefits over your lifetime, but in smaller amounts to take into account the longer period you will receive them. There are advantages and disadvantages to taking your benefit before your full retirement age. The advantage is that you collect benefits for a longer period of time. The disadvantage is your benefit is permanently reduced."

For help figuring out whether early retirement is better for you, check out Social Security's "Break-Even Age" calculator at www.socialsecurity.gov/OACT/quickcalc/when2retire.html or call the SSA (see Page 15).

Employer pension plans usually have options somewhat similar to those of Social Security. Contact your employer's personnel department for guidance.

No matter when you decide to start receiving your benefits, remember that it could take several weeks to receive your first payment. Also consider having your payments deposited directly into your bank account so you don't have to worry about a check getting lost or stolen in the mail.

IRAs, 401(k)s and Other Retirement Savings Plans:

As with your Social Security and pension benefits, you may want to delay tapping into your retirement accounts as long as possible so they can continue to grow to cover unexpected medical costs in the future or to protect the inheritance for your heirs. However, if you need to supplement your income, Individual Retirement Accounts (IRA) and other retirement savings can be a good source.

A Message to Readers

The Federal Deposit Insurance Corporation has been publishing **FDIC Consumer News** quarterly since 1993 to help people protect and stretch their money. This edition is a guide for seniors and their families. Americans are living longer and spending more years in retirement than ever before. They need practical suggestions and reliable information about how to maintain financial stability and independence during the retirement years. We hope that elderly consumers — and the people who care for and about them — will find this special issue to be truly special and beneficial.

Note: Back issues and articles referenced in this special report are available online at www.fdic.gov/consumers/consumer/news or upon request from the FDIC Public Information Center (toll-free 1-877-275-3342).

Before you start withdrawing money from your retirement accounts, most financial planners suggest setting a target annual withdrawal rate. Make it low enough to avoid depleting these funds too quickly. You can fine tune your withdrawal strategy each year, preferably with the guidance of your financial or tax advisor. For example, if your personal situation changes, you can adjust how much you should withdraw.

Also review your retirement portfolio — your mix among stocks, stock mutual funds, CDs (certificates of deposit), bonds and so on — to be sure it's well-diversified. (For ideas about how to rebalance your portfolio as you age, see Page 13.)

Another caveat: If you have retired, every year after age 70½ be sure to take out at least the minimum required distribution from your tax-deferred retirement savings plans (except Roth IRAs) to avoid large IRS tax penalties.

(If you are still working at 70½ or later, you do not need to start taking minimum distributions from your employer's plan until April 1 of the year following the year you finally retire.)

“Remember, you only have to withdraw the money, you don't have to spend it,” said Heather Gratton, an FDIC Senior Financial Analyst. “If you don't need the money you can reinvest it somewhere else, such as in a bank savings account.” She added that, because each person's situation is different, it's best to discuss your strategy with your tax or other advisor.

Credit Cards: Having a credit card is often a necessity for most senior citizens — from paying for medicine and emergencies to booking a vacation. But for seniors living on a fixed income, there are concerns about carrying a large balance from month to month and running up significant interest charges. In the worst cases, the debt becomes unmanageable and a major source of stress for the account holder and the family.

Another problem for seniors is having too many credit cards. That's because the more cards you have, the more opportunities you have to get into debt. And that possibility could make it tougher for you to get the best deal the next time you apply for a loan, insurance, a mortgage or an apartment. Having a lot of cards also can make it harder to keep track of when your monthly payments are due or to even

Your own need for retirement money will depend on factors such as your health-care costs or whether you plan to earn part-time income.

realize that a thief may have stolen one of your cards.

More information regarding credit cards may be found in the Federal Trade Commission (FTC) publication *Choosing and Using Credit Cards* at www.ftc.gov/bcp/conline/pubs/credit/choose. You can also call the FTC toll-free at 1-877-382-4357.

Home Equity Loans and Lines of Credit: These are loans that use the equity in your house as collateral and often are tax deductible (check with your tax advisor). The equity refers to the difference between what you owe on a house and its current market value.

A home equity loan is a one-time loan for a lump sum, typically at a fixed interest rate. A home equity line of credit works like a credit card in that you can borrow as much as you want up to a pre-set credit limit. The interest rate for a line of credit usually is variable, meaning it could increase or decrease in the future.

“For elderly people on a fixed income who have paid their mortgage in full or whose mortgage is almost paid in full, home equity loans are tempting to use to pay for expenses, but they can also be dangerous,” warned Janet Kincaid, FDIC Senior Consumer Affairs Officer. “In the worst-case scenario, if you are unable to make the required loan payments, you could lose your home.”

In general, the best uses for home equity-type loans are to purchase goods or services with long-term benefits, such as home improvements that add to the value of your property. The riskiest uses of home equity loans include a vacation or a car because you could end up paying a lot in interest charges for a purchase that's only of short-term value or has gone down in value. Also beware that some unscrupulous people or companies (including home repair contractors) push high-cost, high-risk home equity loans to elderly people and other consumers.

For more guidance, see the federal government brochure *Putting Your Home on the Loan Line is a Risky Business* on the



FDIC's Web site at www.fdic.gov/consumers/consumer/predatorylending.

Reverse Mortgages: These are home equity loans available to homeowners age 62 or older. In general, a reverse mortgage is a loan that provides money that can be used for any purpose, and the principal and interest payments typically become due when you move, sell your house or die. A reverse mortgage also differs from other home loans in that you don't need an income to qualify and you don't have to make monthly repayments.

While reverse mortgages can be a valuable source of funds, they also have serious potential drawbacks. In particular, you will be reducing your equity, perhaps substantially, after you add in the interest costs.

“Reverse mortgages can help in some situations, such as when you have large medical bills that are not covered, to make major home repairs or to help people on low fixed-incomes make ends meet,” said Cynthia Angell, a Senior Financial Economist at the FDIC. “However, you are reducing your ownership share of the home. That means the inheritance you are leaving to your heirs could be greatly diminished or you could have far less money available for other purposes, such as buying into a retirement community later on. That's why a reverse mortgage should usually be used as a last resort,

continued on next page

not as an integral part of a retirement strategy.”

Also, Angell said, the fees can be high, and that could make a reverse mortgage a poor choice to cover relatively small expenses.

Life Insurance: People mostly think about life insurance as a source of income when someone dies, but they forget that many insurance policies also can be a source of cash at other times.

If you have a life insurance policy with built-up cash value, you can borrow against that money and either repay the loan with interest or reduce the death benefit accordingly. Example: If you have a \$100,000 life insurance policy but you owe \$20,000 on a loan from that policy, your heirs would receive \$80,000 as the insurance payout.

There are other options reserved for people who have been diagnosed with a terminal illness and have run out of other ways to pay their expenses. One example is a life insurance policy that can pay “accelerated death benefits” to an eligible policy holder — generally up to about 50 percent of the face value of the policy — in either a lump-sum payment or monthly payments that are deducted from the policy’s face value. When the policy holder dies, the rest of the death benefit is paid out.

Another possibility is to “sell” your life insurance policy to obtain a lump-sum of about 40 to 80 percent of the face value in exchange for the right to receive the full insurance payout when you die. This is known in the insurance business as a “viatical settlement.”

These and other options for tapping life insurance policies can be complicated (including tax and other implications), and they are not right for everyone.

Consider getting guidance from your state government’s insurance regulator (listed in your local phone book or on the Web site of the National Association of Insurance Commissioners at www.naic.org). 🏠

Annuities for Retirees: What to Consider Before You Invest

Complex products can offer extra income but beware of potential pitfalls

Investments called annuities are similar to traditional Individual Retirement Accounts and employer-sponsored 401(k) plans in that your money can grow tax-deferred until you withdraw it from your account. However, annuities are complex products and are not appropriate for everyone near or in retirement. Here’s an overview, including things to consider and questions to ask before you invest.

Annuities can be purchased directly from an insurance company or from other financial institutions (including banks) that act on behalf of the insurance company. In exchange for your investment, the insurer agrees to make periodic payments for a set time period. It’s important to remember that *some annuities may lose value*. These products are not insured by the FDIC or the FDIC-insured bank or savings institution that may offer them.

There are different types of annuities. A “fixed annuity” provides a fixed payment, often monthly, until the investor dies. It typically guarantees no loss of principal (the amount invested). A “variable annuity” also guarantees payment for a set period, but the payment amounts will fluctuate based on the market performance of the investment option you choose. With a variable annuity, you also risk losing principal as well as earnings, although some variable annuities guarantee the return of your initial investment for an additional fee.

If the income payments are deferred to some later date, the annuity is typically described as a “deferred annuity.” If the payments begin immediately and continue for life, the annuity may be referred to as an “immediate life annuity.”

On the plus side, annuities provide another investment option if you’ve reached your contribution limit on your other retirement accounts, such as 401(k) plans. And, at retirement, the guaranteed payments can provide extra income. But, as with any investment, be aware of the potential pitfalls and make an informed decision.

Know the key features and costs of the product and make sure they fit your needs. Read the literature to understand the most important facts and risks, including the potential for loss, if any.

“A sales representative who talks to you about purchasing an annuity is required by federal law to ask you questions about your investment goals, current finances and future retirement plans,” said Kara Ritchie, an FDIC Policy Analyst who specializes in consumer issues. “If the representative doesn’t discuss whether the product is suitable for your needs and goals, take your business elsewhere.”

Experts generally say that annuities with guaranteed principal and income are more suitable for older investors than annuities that may, through market performance, lose value. The latter include variable-rate, deferred-payment annuities and equity-indexed annuities (those tied to the stock market), which might not make sense for many investors close to or in retirement.

Also, before you sign a contract, make sure you understand the cost of getting your money back early. Many investors with variable annuities are surprised to learn that they must pay hefty “surrender charges” if they try to withdraw money early, cancel their contract, or replace an existing annuity with a new one.

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Frauds that Target the Elderly: Beware of Strangers Bearing Gifts

Crooks posing as legitimate business people or other “trusted” individuals scheme to trick consumers into giving up money, property or valuable personal information

It's true — senior citizens are often the targets of fraud and financial crimes. Among the reasons: Some older people have built substantial assets (including their own home and large savings accounts), they're easy to find at home, and they can be swayed by fears of losing their financial independence. “Also, despite the efforts of law enforcement, criminals are getting smarter and using technology to their advantage to commit fraud and other financial crimes, such as identity theft,” said Michael Benardo, manager of the FDIC's Financial Crimes Section.

The following are common cons designed to trick consumers — especially elderly people — into giving up money, property or valuable personal information. These scams often are committed by strangers posing as legitimate business people, government officials or other “trusted” individuals. (For a look at frauds committed by relatives or caregivers, see next page.) The information is based on reports from the U.S. Justice Department, FDIC fraud specialists, the Federal Trade Commission (FTC) and other sources:

Prize and Sweepstakes Frauds: This type of scam may involve a congratulatory phone call or letter informing a consumer that he or she has won a prize or a large sum of money in a lottery or sweepstakes. But before any “winnings” are delivered, you are told you must pay for fees, taxes, shipping and handling or other charges. Of course, the prize never comes or any products that do arrive are essentially worthless.

“Prize and sweepstakes fraud is more prevalent among older consumers than among the public at large, and is particularly prevalent among consumers age 70 and older,” Lois Greisman, an Associate Director in the FTC's Bureau of Consumer

Protection, said in testimony before the U.S. Senate Special Committee on Aging in July. She said nearly 12,000 older consumers complained to the FTC that they lost almost \$35 million in fraudulent prize or sweepstakes promotions in 2004, with the median loss being about \$2,000. “These frauds can be devastating to consumers who sometimes cash out retirement funds to claim their purported prizes,” Greisman said.

Fraudulent Investments: A firm or individual “guarantees” fantastic returns on investments, business opportunities, gems and other “no-risk” deals. These will sound attractive compared to what local banks are paying on deposits. At some point the seller takes the money and runs, leaving the investor with a big loss.

Charitable Donation Scams: Crooks disguised as charities collect donations or money for raffles. While you think you're helping people in need, you're really helping con artists pad their pockets. You should make donations only to charities you are familiar with or after consulting with the Better Business Bureau (BBB), which maintains reports on national and local charities. Contact your local BBB as listed in the phone book or check out charities online at www.give.org.

Home or Auto Repair Scams: Someone calls or knocks at your door offering a super deal to fix your roof or driveway or repair your car. After you hand over the funds you discover the work hasn't been completed, is of poor quality or wasn't needed in the first place. Some scammers have billed consumers for maintenance or repairs that were never performed.

Loan or Mortgage Fraud: These typically involve unscrupulous “predatory” lenders (typically from the non-bank or home improvement

industries) that use false or misleading sales tactics to make high-cost loans to consumers in need of cash, including older homeowners concerned about paying bills. Victims often can't afford the loan, and they may be pressured to refinance a loan repeatedly and pay high fees each time — a scam known

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Fake Documents Used to “Steal” Homes

Criminals are filing fake deeds to gain control of homes, often those belonging to the elderly, according to recent reports. A con artist can attempt to “steal” a house by falsely claiming to be the owner of a property or the owner's adult child who has the authority to conduct business for the family.

The perpetrator typically targets nice homes that are vacant for a long time, perhaps because the owner is away for the winter or is receiving extended medical treatment. The thief then goes to the courthouse and files a fraudulent deed that, in legitimate circumstances, can be a simple way to transfer the ownership of property from one person to another. After the courthouse records show the criminal as having the deed to the property, he will attempt to sell it and take off with the cash.

“Because the house is not being lived in, this fraud can go undetected for quite a while,” said David Nelson, a fraud specialist in the FDIC's Financial Crimes Section. To protect yourself, he suggested “making sure the house looks lived-in while you are away,” such as by arranging for mail and newspapers to be picked up or forwarded.

as “loan flipping.” Borrowers who pledge their house as collateral and can’t repay the loan could lose the home in a foreclosure.

Help for Avoiding Foreclosures: The fraudster goes through records at the local courthouse listing homes facing foreclosure. He or she then contacts the homeowners and offers assistance to prevent the foreclosure from taking place. Instead, the homeowner is then tricked into signing documents that, in the fine print, transfer the ownership of the property to the fraudster.

“I-Need-Your-Help” Scams: Unlike the previous scams that involve selling or giving something to the victim, here the con artist is asking to receive some assistance... and in the process obtains account information or access to funds. Example: Someone claiming to be a bank examiner, bank security

officer or police officer calls asking for help investigating a possible fraud by withdrawing cash from your bank account or providing account information. If the trick works, the bogus investigator can walk away with the money or use the confidential information to raid the victim’s bank account.

Counterfeit Checks: In one example, you sell an item over the Internet and the buyer sends a cashier’s check for more than the agreed-upon price. The buyer instructs you to wire the excess funds back. If you comply, you will most likely find out that the check you received is phony and the money you wired cannot be returned to you.

For advice on protecting against financial frauds, see the next column. 🏠

How to Protect Against Financial Fraud

How can you and your family be on guard against financial scams, especially those that target the elderly?

Try to deal only with businesses and other organizations you already know or that have been recommended. When in doubt, contact your state or county’s consumer protection office (listed in the blue pages of your phone book) or the Better Business Bureau.

Get key details of a significant offer in writing and thoroughly check them out before agreeing to anything. Make sure you understand your responsibilities and the potential risks before entering into any transaction.

“If the person making the sales pitch only focuses on the benefits or the promised return and brushes over the costs and potential risks, the seller may not be acting in your best interest and the product may not be appropriate for you,” warned Michael Benardo, manager of the FDIC’s Financial Crimes Section.

Closely monitor credit card bills and bank statements. Look at your monthly statements as soon as they arrive and report a discrepancy or anything suspicious, such as a missing payment or an unauthorized withdrawal.

Periodically review your credit reports for signs that an ID thief is misusing your name. Credit reports, which are prepared by companies called credit bureaus, summarize each person’s history of paying debts and other bills. If your credit report lists a credit card, a loan or a lease you never signed up for, chances are a con artist is attempting to commit fraud using your identity.

Under a new federal law, you are entitled to one free credit report each year from each of the nation’s three major credit bureaus. Experts suggest

Inside Jobs: Elder Fraud by Relatives or Caregivers

Frauds and thefts against the elderly by people they know and trust are surprisingly common. Examples cited by the Justice Department and other sources include stealing money; cashing checks without permission; transferring the ownership of property (see Page 5); committing identity theft; “borrowing” funds without intending to repay; and denying services to the elderly person — even medical care — to pocket the money.

Friends and relatives also have convinced senior citizens to add their name onto bank accounts, living trusts or wills (perhaps as the sole beneficiary) or grant a power of attorney (giving total control over the person’s financial affairs). “One problem identifying certain frauds as frauds is that, on the surface, the actions involved can be for legitimate purposes,” said Michael Benardo, manager of the FDIC’s Financial Crimes Section. “What makes the matter worse is when the elderly person can’t or won’t report a fraud, perhaps because they’re ashamed to admit that they’ve allowed themselves to be taken advantage of by someone they loved or trusted.”

Seniors and their loved ones should be very suspicious if they notice any of the following: A relative or caregiver becomes extremely interested in the elderly person’s financial affairs. A caregiver is reluctant to spend money on necessary medical treatment. Someone prevents the elderly person from talking on the phone or doesn’t pass along phone messages. There are unauthorized withdrawals from checking or savings accounts. The caregiver claims that some money is “missing.” Or, there are new or recently changed legal documents, such as wills or “powers of attorney” that give this other person rights to conduct transactions.

What should you do in these circumstances? “Talk to another family member, a lawyer who could intervene on your behalf, or someone else you know you can trust,” advised Susan van den Toorn, an FDIC attorney.

Look at your monthly statements as soon as they arrive and report a discrepancy or anything suspicious, such as a missing payment or an unauthorized withdrawal.

spreading out your requests throughout the year to maximize your protection. To get a free report, go to www.annualcreditreport.com or call toll-free 1-877-322-8228.

Remember the red flags of a fraud.

You can avoid scams or help determine if an ill or elderly relative is a victim or target of fraud if you know some of the classic warning signs. They include:

- Unsolicited offers from strangers or unfamiliar companies that sound too good to be true, including mail or phone calls proclaiming an elderly person to be the “winner” of prizes or investment “opportunities;”
- Requests to send money or bank account information before a promised product or service is delivered;
- Pressure to quickly say “yes” to a proposal, especially an oral offer to sell you financial products, household equipment or home repairs that you may not really need;
- Indications of cash shortages when the elderly person should have enough money coming in; and
- Checks payable to unfamiliar people or businesses for reasons that the elderly person can’t explain.

Immediately report a fraud or theft to the proper authorities. For who, where and how, see the box on the right. 🏠

A Warning to Heirs: Identity Thieves Target the Deceased

Criminals scour obituaries and other sources for personal information that can be used to commit fraud

Identity thieves will stop at nothing — not even the death of the intended victim — when it comes to stealing someone’s personal information to commit fraud.

Crafty criminals look for personal details about the deceased in obituaries (in the newspaper or online), genealogy Web sites, death certificates and other sources. Armed with personal information — such as a full name, address and date of birth — an ID thief may be able to obtain a new Social Security card, a driver’s license, or loans and credit cards, even though the victim is no longer alive.

FDIC Consumer News suggests that families consider the following actions after a loved one dies:

Limit the amount of personal information in obituaries. “It’s a good idea to leave out the exact birth date of the deceased. If anything, provide only the birth year,” said David Nelson, a fraud specialist in the FDIC’s Financial Crimes Section.

Consider omitting a wife’s maiden name because many financial institutions use a mother’s maiden name as a security password. “If an

obituary publicizes a woman’s maiden name and lists her children, an identity thief may be able to use that and other information to order credit cards or otherwise go on a spending spree in the childrens’ names,” Nelson added.

Obtain several copies of the death certificate and then proceed to close bank, brokerage, credit card and other accounts as needed.

Ask your attorney or accountant for advice about closing and reopening accounts in survivors’ names.

Also, quickly report the death to the fraud departments of all three major credit bureaus (see below), which financial institutions rely on when handling credit applications, and the Social Security Administration (Page 15).

“It’s important to help prevent identity thieves from assuming the deceased person’s identity before the estate is settled,” explained Nelson. “Otherwise, there may be credit extended to the fraudsters that will need to be resolved before distributions can be made to heirs.” 🏠

If a Crime Has Been Committed

Contact the fraud departments of any one of the three major credit bureaus if you suspect your name or accounts are being used improperly.

They are Equifax at 1-800-525-6285, Experian at 1-888-397-3742, or TransUnion at 1-800-680-7289. Ask for a “fraud alert” to be placed on your credit file, which can help prevent a thief from opening new accounts or making changes to your existing accounts.

Call your financial institutions if accounts have been corrupted by a crook or fraudulently opened in your name. Discuss closing those accounts and opening new accounts. Also consider filling out an “ID Theft Affidavit” available on the Federal Trade Commission’s Web site at www.consumer.gov/idtheft or by calling toll-free 1-877-IDTHEFT (438-4338). This document can be used to help you prove you are an innocent victim.

Call the local police to fill out the necessary crime reports.

It's Never Too Late to Simplify and Organize Your Finances

Everyone can use some help getting their financial affairs in order, but especially senior citizens who may face special challenges and decisions involving money management later in life

Simplify your life: Have your Social Security benefits, pension payments and other income automatically deposited into your bank account each month. Direct deposits are safe, reliable and convenient. Also arrange with your bank to automatically pay your mortgage, utility bills, insurance premiums and other recurring charges. Doing so takes the hassle out of making scheduled payments and helps avoid late charges or service interruptions. You can also have automatic withdrawals from your bank account to routinely put a certain amount of money into a savings account, a certificate of deposit (CD), a mutual fund or a U.S. Savings Bond.

Telephone banking allows you to use your touch-tone phone to confirm that checks or deposits have cleared, get your latest balance or transfer money between different accounts at the same bank. And if you own a home computer, consider banking and bill paying quickly and easily over the Internet, 24 hours a day, seven days a week. Internet banking and bill paying is usually free of charge or it costs less than what you'd spend on postage. For more ways to simplify your financial life using electronic banking, including a look at consumer protections, see the Winter 2004/2005 ***FDIC Consumer News*** (online at www.fdic.gov/consumers/consumer/news/cnwin0405).

Also consider opening a "cash management account" that combines cash, stocks and other assets into one account with check-writing and credit card services. These accounts usually involve an annual maintenance fee.

Update your will and other legal documents: Who will inherit your savings accounts and other property when you die? Who else should have access to checking accounts to pay bills if you're hospitalized? What kind of medical treatments do you want to



receive — or avoid — if you become critically ill? These are the kinds of questions you should be asking yourself, preferably in consultation with family members and your lawyer or other experts. Your answers to these questions may require actions involving important legal documents and how you set up various bank accounts. (For information about adding or deleting names on bank accounts, see Page 10.)

Some matters may be handled as part of your will. Others may involve having or updating a "durable power of attorney" (authorizing someone to handle your finances, property or other personal matters if you become mentally or physically incapacitated), a "living will" (instructions about future medical care if you become ill and are unable to communicate your wishes) or a "health care power of attorney" (designating a family member to make decisions about medical treatment). Having these health-related directives can prevent unwanted and potentially costly medical procedures.

You may want to hire an attorney specializing in elder law or "estate

planning" (how money and property and other assets can go to your heirs with a minimum of costs, taxes and hassles). "Estate planning can be a complex task so it often is best to consult with someone who is experienced," said Susan van den Toorn, an FDIC attorney. "Turning to a friend or relative for legal assistance might seem comforting, but sometimes it's best to use a seasoned specialist who knows the nuances of the field."

Organize and protect your important documents: Make sure your bank and brokerage statements, insurance policies, Social Security and company pension records, and other personal and financial papers are in a safe place and easy to get to.

As the victims of recent hurricanes, floods and other disasters have learned, it's wise to take extra precautions with essential records. For the most important original documents, such as wills, passports and birth certificates, seal them in airtight and waterproof containers to prevent water damage. Make backup copies and consider giving duplicates to loved

ones — or at least let them know where to find your records in an emergency.

Consider renting a safe deposit box at your bank for certain papers that could be difficult or impossible to replace, such as birth certificates and originals of important contracts. Don't put into a safe deposit box anything you might need in an emergency, such as your passport or medical-care directives, in case your bank is closed for the night or weekend. Also, many experts generally advise against putting a will in a safe deposit box because, in many states, there may be complications accessing the will after the person dies. And remember that copies of wills aren't valid. Perhaps the best approach is to ask your attorney for guidance.

For the most important papers you keep at home, consider an inexpensive but durable home safe.

Toss old documents: Are you afraid to throw away old bank statements, bills, receipts and cancelled checks because you think you may need them some day? We can't tell you when it's safe to throw away certain financial documents — that's for you to decide, perhaps after consulting with your accountant or attorney. But we have offered general guidance that's reasonable for many people in the Fall 2002 **FDIC Consumer News** (online at www.fdic.gov/consumers/consumer/news/cnfall02/bnkrdrds.html). For example, cancelled checks with no long-term significance for tax or other purposes probably can be destroyed after about a year. Cancelled checks that support your tax returns (such as charitable contributions, investments, home improvement costs or tax payments) should be held for at least seven years, and in some cases indefinitely.

Also, to avoid becoming a victim of identity theft, shred any document that contains a Social Security number, bank account number or other personal or financial information. A crosscut shredder that turns paper into confetti is highly recommended by experts.

Take precautions with old accounts.

For the benefit of your heirs, either dispose of proof of old bank and brokerage accounts, life insurance policies and other assets you no longer own (again, assuming you don't need the documents for tax or other purposes) or clearly mark them as being sold or cashed in. Otherwise, loved ones who discover the information after your death could waste a lot of time and effort researching these mystery accounts when there is no money or property to be claimed.

On the other hand, people do lose or forget about money or property. It's easier than you think. For example, you may move and fail to give a forwarding address to a bank where you have a small savings account. Or, you may change your name and not notify your banks or other companies. That's why it's important to keep records of your finances, note which accounts have been closed or cashed in, and make sure your financial institutions and others who owe you money have your current address.

In most cases, after a certain number of years of being "unclaimed," assets are transferred to the state government, where they still can be claimed by the rightful owners. For guidance about how to research an old bank account or safe deposit box, see the Spring 2002 **FDIC Consumer News** (online at www.fdic.gov/consumers/consumer/news/cnspr02/lost.html). You also can begin a search for assets of any sort that have been sent to a state by going to the Web site of the National Association of Unclaimed Property Administrators (www.unclaimed.org).

And one final warning: Beware of frauds involving companies offering to "find" your unclaimed property. There are reputable companies that, for a fee based on actual recoveries, will help people who don't want to take the time to research unclaimed property or whose cases may be unusually complex. But some companies may charge fees up-front based on misleading claims or for services you could easily perform on your own. ☹

Professionals Can Help With Daily Money Management

Each day, millions of people help their ill or elderly relatives with everything from medications to money management. But some financial tasks — including bill paying, deposits, insurance claims, benefit claims, investment decisions and other daily money matters — may be too much for family members to handle alone.

Your accountant, lawyer or financial planner may be willing to help, but another option, perhaps at a lower cost, is to hire a "daily money manager." If you need help finding one, a possible resource is a state or local government agency that provides referrals and other information to elderly people and their caregivers. To locate these agencies, use the "Eldercare Locator" service of the U.S. Administration on Aging at 1-800-677-1116 or www.eldercare.gov.

When hiring a professional, even one who comes recommended by a friend or relative, look for someone with professional credentials from an organization that requires a commitment to a code of ethics. Ask for several references from clients and other professionals. Clarify the job you want performed and the cost. Closely monitor their work to prevent theft or mismanagement. If you rely on friends or relatives for money management, you should closely monitor their work, too. (Note: For information about adding someone to a bank account as a co-owner or to conduct transactions on your behalf, see the next page.)

Naming Names: Points to Consider Before Giving Friends or Relatives Access to Bank Accounts and Safe Deposit Boxes

The FDIC receives thousands of calls each month from depositors, bankers and other professionals asking about the effect of adding or deleting someone else's name on an account. And in many cases, it's a good thing they ask. That's because decisions about whose names appear on a deposit account can affect such matters as who has a right to withdraw money, how much of the funds are FDIC-insured if the bank were to fail, and who will inherit your money when you die.

FDIC Consumer News can't advise you on how to share your money — now or upon your death — but we can give you the following guidance about the implications of adding names onto deposit accounts and even onto the list of people who can access a safe deposit box.

Adding a co-owner to a deposit account is very different from giving someone limited access in an emergency. People often want family members or friends to be able to withdraw funds from their bank account if, for example, they become ill or incapacitated. One way to do that is to make an arrangement with the bank to specify in the account records that you are giving someone the right to withdraw money on your behalf. Another way is to grant the other person a "power of attorney," which gives him or her the legal authority to handle transactions and make financial and other decisions for you.

However, some bank customers who only want another person to be their backup in an emergency will go ahead and add that other person as a co-owner of an account, and that could be a mistake. "You need to remember that by establishing a joint account with another person, you are giving him or her equal ownership of the funds," said Kathleen Nagle, a supervisor with the FDIC's Division of Supervision and Consumer Protection. "This other person will have as much right to the

money as you do, and you shouldn't take that fact lightly."

FDIC insurance coverage for most accounts is based on who owns the money, not who can withdraw the money. "When the FDIC receives an inquiry about deposit insurance coverage, usually our first question is, 'Who owns the funds?'" said Martin Becker, an FDIC senior specialist for deposit insurance claims. "Only the legal owner of the funds is entitled to insurance coverage."

Example: If two people have a joint account at the same bank and no other joint accounts there, the account is FDIC-insured up to \$200,000 (\$100,000 for each owner). If, instead, the \$200,000 account lists one owner and another person authorized to withdraw funds as a convenience for the owner, the account is FDIC-insured to \$100,000, not \$200,000.

You can get additional FDIC insurance protection on certain accounts that name beneficiaries who will receive your money if you die. One such account is a payable-on-death account (also called an in-trust-for account) that can be set up by simply naming the beneficiaries in the bank's records. Another is a deposit account tied to a formal "living trust," a document that should be drawn up by an attorney.

To obtain the extra insurance coverage, specific requirements must be satisfied. If every beneficiary you name is a parent, spouse, sibling, child or grandchild, the FDIC will insure the account for up to \$100,000 per beneficiary, not \$100,000 in total. That means your account can be insured up to \$200,000 if there are two beneficiaries from the list above, \$300,000 if there are three, and so on. But other beneficiaries — including a nephew, niece, cousin, grandparent, in-law, ex-spouse, friend or charity — do not qualify the account for this extra insurance coverage. The portion

of the account payable to them would be added to any accounts you have at the bank in the single (individual) account category and the total will be insured to a maximum of \$100,000.

Calculating deposit insurance coverage for trusts can be complicated. For guidance, call the FDIC (Page 12).

You cannot increase the insurance coverage of Individual Retirement Accounts by adding beneficiaries.

Regardless of the number of beneficiaries you name to receive your IRA deposits if you die, your retirement accounts at one institution are insured up to \$100,000 in total, and no more.

Think about who else should have access to your safe deposit box. You can jointly rent a safe deposit box with a relative or anyone else who would have unrestricted access to the box, now or when you die. Or, you can arrange with your bank to permit someone to access the box as a convenience to you, not as full or partial owners of the contents. "It isn't enough to tell someone where to find your key to the safe deposit box," noted Janet Kincaid, FDIC Senior Consumer Affairs Officer. "He or she must be on the bank's records to be able to get into the box."

Becker added that it's also important to periodically review who has access to your safe deposit box. "Circumstances may change," he said. "For example, perhaps you've gotten divorced since you rented the box. You might not want that other person to have access to the contents."

Want more guidance about naming names to accounts, especially regarding your insurance coverage? You can always call or write the FDIC as noted on Page 12. Also check out the information on deposit insurance coverage at www.fdic.gov. 🏠

7 Things Seniors (and Everyone Else) Should Know About FDIC Insurance

Older Americans put their money... and their trust... in FDIC-insured bank accounts because they want peace of mind about the savings they've worked so hard over the years to accumulate. Here are a few things we want senior citizens to know and remember about FDIC insurance.

1. The basic insurance limit is \$100,000 per depositor per insured bank. If you or your family have \$100,000 or less in all of your deposit accounts at the same insured bank, you don't need to worry about your insurance coverage. Your funds are fully insured. Your deposits in separately chartered banks are separately insured, even if the banks are affiliated, such as belonging to the same parent company.

2. You may qualify for more than \$100,000 in coverage at one insured bank if you own deposit accounts in different ownership categories.

There are several different ownership categories, but the most common for consumers are single ownership accounts (for one owner), joint ownership accounts (for two or more people), self-directed retirement accounts (Individual Retirement Accounts and Keogh accounts for which you choose how and where the money is deposited) and revocable trusts (a deposit account saying the funds will pass to one or more named beneficiaries when the owner dies). Deposits in different ownership categories are separately insured. That means one person could have far more than \$100,000 of FDIC insurance coverage at the same bank if the funds are in separate ownership categories.

3. A death or divorce in the family can reduce the FDIC insurance coverage. Let's say two people own an account and one dies. The FDIC's rules allow a six-month grace period after a depositor's death to give survivors or estate executors a chance to restructure accounts. But if you fail to act within six months, you run the

risk of the accounts going over the \$100,000 limit.

Example: A husband and wife have a joint account with a "right of survivorship," a common provision in joint accounts specifying that if one person dies the other will own all the money. The account totals \$150,000, which is fully insured because there are two owners (giving them up to \$200,000 of coverage). But if one of the two co-owners dies and the surviving spouse doesn't change the account within six months, the \$150,000 deposit automatically would be insured to only \$100,000 as the surviving spouse's single-ownership account, along with any other accounts in that category at the bank. The result: \$50,000 or more would be over the insurance limit and at risk of loss if the bank failed.

Dennis Trimper, a specialist with the FDIC division that handles insurance claims, recalled a bank closing in Florida where some elderly depositors had money over the insurance limit because they had not made a change to their accounts after a spouse died. "The story was generally the same," he said. "A couple retired, sold their house and placed more than \$100,000 in a joint account. Then one spouse died and more than six months later the bank failed. The remaining spouse then faced the prospect of losing some of their life savings."

Also be aware that the death or divorce of a beneficiary on certain trust accounts (see previous page) can reduce the insurance coverage immediately. There is no six-month grace period in those situations.

4. No depositor has lost a single cent of FDIC-insured funds as a result of a failure. FDIC insurance only comes into play when an FDIC-insured banking institution fails. And fortunately, bank failures are rare nowadays. That's largely because all FDIC-insured banking institutions

Increase in \$100,000 Limit Under Consideration

As *FDIC Consumer News* went to print, Congress was considering legislation that would raise the federal insurance limit. Any changes in the insurance rules will be posted on the FDIC Web site at www.fdic.gov.

must meet high standards for financial strength and stability. But if your bank were to fail, FDIC insurance would cover your deposit accounts, dollar for dollar, including principal and accrued interest, up to the insurance limit. If your bank fails and you have deposits above the \$100,000 federal insurance limit, you may be able to recover some or, in rare cases, all of your uninsured funds. However, the overwhelming majority of depositors at failed institutions are within the \$100,000 insurance limit.

5. The FDIC's deposit insurance guarantee is rock solid. As of mid-year 2005, the FDIC had \$48 billion in reserves to protect depositors. Some people say they've been told (usually by marketers of investments that compete with bank deposits) that the FDIC doesn't have the resources to cover depositors' insured funds if an unprecedented number of banks were to fail. That's false information.

"If needed, the FDIC has several ways to raise additional funds, including the authority to collect more money from insured banking institutions and borrow from the U.S. Treasury," said James Williams, an FDIC Consumer Affairs Specialist. "FDIC-insured deposits also are backed by the full resources of the United States government — the strongest guarantee you can get."

continued on next page

6. The FDIC pays depositors promptly after the failure of an insured bank.

Most insurance payments are made within a few days, usually by the next business day after the bank is closed. Don't believe the misinformation being spread by some investment sellers who claim that the FDIC takes years to pay insured depositors.

7. You are responsible for knowing your deposit insurance coverage.

"As much as the FDIC would like every customer to be fully protected when a bank fails, federal law is very specific about how much insurance the FDIC can pay," said Williams. "That's why it's important for consumers to take the time to be sure they're fully insured." For more information or to get your questions answered by the FDIC, see the box below. 🏠

For More Information About FDIC Insurance

Go to the **FDIC Web site** at www.fdic.gov to find consumer resources such as the brochure *Your Insured Deposits*, the Electronic Deposit Insurance Estimator (an interactive tool allowing you to get a summary of your FDIC coverage), and a 27-minute video on the basics of deposit insurance.

Call our toll-free consumer assistance line at 1-877-ASK-FDIC, which is 1-877-275-3342. For the hearing-impaired, call 1-800-925-4618. The phone line is staffed Monday through Friday, 8:00 a. m. to 8:00 p. m., E.T.

E-mail your questions using the FDIC's Customer Assistance Form at www2.fdic.gov/starsmail/index.asp.

Send a letter to the FDIC, Division of Supervision and Consumer Protection, 550 17th Street, NW, Washington, DC 20429-9990.

Annuities: What to Consider Before Investing

continued from Page 4

Deal only with a competent, reputable sales representative. Most annuity sales representatives are trained professionals. However, there have been reports of sales representatives who have been poorly informed or have used false or misleading tactics to sell annuities. How can you improve your chances of getting good advice?

Work with a sales representative licensed by your state government's insurance regulator (listed in your local phone book or on the Web site of the National Association of Insurance Commissioners at www.naic.org). If the sales representative offers variable annuities, he or she also must be licensed to sell securities. For information on whether a sales representative is properly licensed or has a history of disciplinary problems, contact your state securities regulator (in your phone book or from the North American Securities Administrators Association at www.nasaa.org) and the National Association of Securities Dealers, a self-regulatory group for the securities industry (1-800-289-9999 or www.nasd.com).

"Annuities are generally sold on a commission basis, so it's important to find a sales representative who puts

your interests ahead of his or her own," added Ritchie.

Proceed carefully before replacing an existing annuity with a new one.

A sales representative may suggest investing in a new annuity paying a higher return or replacing a deferred annuity with an immediate life annuity to provide monthly income now instead of later. These actions may make sense for some people. However, it can be expensive to change annuities. Make sure you consider the contract terms as well as early withdrawal penalties and other charges prior to making a change.

What if, soon after purchasing an annuity, you have "buyer's remorse" or find another annuity with better terms? Your annuity may have a "free look" period during which you can cancel without penalty. If yours doesn't and you still want to cancel, determine all the surrender charges and penalties and proceed with caution.

For more information about annuities in general, start with your state's insurance regulator. For more information about variable annuities, visit the U.S. Securities and Exchange Commission's Web site at www.sec.gov/investor.shtml or call toll-free 1-800-732-0330. 🏠

Reminder to Subscribers: To Continue Receiving Our Newsletter...

FDIC Consumer News subscribers were notified with their Summer 2005 issue that they must let us know if they want to continue receiving our free newsletter in the mail each quarter. If you haven't already responded but you wish to remain a subscriber, you have three different options: (1) Mail back the subscription form that came with the Summer issue. (2) Send an e-mail to the FDIC's Public Information Center at publicinfo@fdic.gov. (3) Call the FDIC toll-free at 1-877-275-3342 Monday thru Friday 8:00 a.m. to 8:00 p.m., Eastern Time. Please provide your name, current address and subscription code number from your mailing label.

If you'd prefer to receive an e-mail notice about each new issue posted on the FDIC's Web site, with links to stories, follow the instructions posted at www.fdic.gov/about/subscriptions/index.html. Or, if you do not want to continue subscribing to our newsletter, do nothing. Your subscription will simply lapse.

Retirement Strategies for All Ages: A “To-Do” List

A successful retirement depends largely on the steps you take during different stages of your life. Here are some moves to consider. *Note: Investment portfolios shown are illustrations only. You must decide what percentages and investments are right for you.*

Your 20s and 30s (Early Career)

Contribute as much as you can to IRAs, 401(k)s, Keoghs and other retirement savings while meeting other goals, such as buying a home or starting a family.

Keep your debt from credit cards and other sources manageable.

If you don't already own a home, consider if this is a good option for you. While a home purchase can be expensive, it also can be an excellent investment and source of tax breaks.

Given your years until retirement, you probably can afford to be fairly aggressive with your investments. Possible portfolio: 60 to 80 percent in stocks or stock mutual funds and most of the rest in certificates of deposit (CDs), bonds, bond funds or money market accounts.

Your 40s and 50s (Mid-Career)

Continue putting as much as you can into IRAs, 401(k)s, Keoghs and other retirement savings accounts. Once you reach age 50, you can make “catch-up” (extra) contributions to IRAs, 401(k)s and other retirement savings accounts.

If you haven't bought a house already, consider doing so as a source of equity and a place to live in retirement. If you have a mortgage, periodically compare your interest rate to current market rates. If current rates are better, consider refinancing.

As you get closer to retirement, consider reducing stock investments and adding more conservative, income-producing investments. Possible portfolio: 50 to 70 percent in stocks or stock mutual funds and most of the

rest in CDs, bonds, bond funds or money market accounts.

Your Early 60s (Late Career)

Ask the Social Security Administration, your accountant or your employer's personnel office to help you determine how much Social Security and pension income you'd get if you “retire early” — and how much you'd lose compared to holding off on retirement (see Page 2).

Discuss with a financial advisor when to withdraw money from your tax-deferred retirement accounts, such as employer-sponsored retirement plans and traditional IRAs. After age 59½, you can withdraw your money without penalty but subject to income taxes. Under IRS rules, you must withdraw a minimum amount from 401(k)s, traditional IRAs and certain other retirement savings plans by April 1 of the year after you reach age 70½ and each year after that. There is an exception to the rules for someone still working for the employer who sponsors the plan.

Consult with your legal or financial advisors about estate planning — organizing your financial affairs so that your money, property and other assets can go to your heirs with a minimum of costs, taxes and hassles.

You may need or want to buy health insurance or long-term care (including nursing home) insurance. Consider the need for disability (wage replacement) or life insurance coverage.

Reduce your consumer debt as much as possible and consider the pros and cons of paying off your mortgage early. But if you think you'll need to borrow money during retirement, determine whether you want to refinance your mortgage, take out a home-equity loan, apply for a credit card or otherwise take out a loan *before* you retire. You might have more options for getting a loan when you still have employment income. No matter what loans you



have or how old you are, it's important to keep your debts manageable.

Consider reducing your stock ownership and increasing your conservative investments. Possible portfolio: 30 to 60 percent in stocks or stock mutual funds and most of the rest in CDs, bonds, bond funds or money market accounts.

Your Retirement

The rules governing retirement can be complicated. So, about a year before you plan to retire, discuss your situation with a Social Security Administration claims representative. After you decide on a retirement date, apply for your Social Security benefits and other pensions about three months in advance. If you plan to work part-time, find out how this will affect your Social Security income or taxes.

Arrange to have your periodic payments, such as Social Security benefits, directly deposited into your checking account. Ask your personnel department or financial advisor about whether to receive your 401(k) money in a lump sum or periodic payments.

Reduce your debts as much as possible. Be careful before taking on new debt, such as a home-equity loan or a reverse mortgage (see Page 3).

Lean toward conservative, income-producing investments, but don't rule out stocks or stock funds. Possible portfolio: 20 to 40 percent in stock or stock mutual funds and most of the rest in CDs, bonds, bond funds or money market accounts. ♣

A Final Exam for Seniors

Take our quiz on money management for older Americans and their families, which is based on information in this special report

1. You can begin receiving your Social Security benefits only after you reach your “full” retirement age (anywhere from age 65 to 67 under current law), not before then. **True or False?**
2. If you pledge your home as collateral for a loan (such as with a home equity line of credit), you could lose your home if you can’t repay the loan. **True or False?**
3. If you borrow money using a reverse mortgage (a type of home equity loan for homeowners age 62 or older), you don’t repay the loan in monthly payments. Instead, the principal and interest payments are due when you move, sell the house or die. **True or False?**
4. In general, when you factor in the interest charges and fees, a reverse mortgage is a good choice for retirees to cover small expenses. **True or False?**
5. If you purchase an annuity at an FDIC-insured bank, and the annuity loses value, the FDIC will protect your investment against loss. **True or False?**
6. Suppose you receive a phone call or letter saying you’ve won a big prize. Before you can collect the prize, you must send a check or provide a credit card number to pay for taxes or shipping. You can be sure it’s safe to go ahead with the payment to cover those expenses. **True or False?**
7. Reviewing your credit report is one way to find out if you may be a victim of identity theft because these reports can tell you if a credit card has been wrongfully opened in your name. **True or False?**
8. A new federal law entitles Americans to three free credit reports each year. **True or False?**

9. If you’re keeping records of bank accounts that are no longer open, clearly mark them as closed. Otherwise, loved ones who discover the information after your death could waste a lot of time researching these old accounts. **True or False?**
 10. To avoid becoming a victim of identity theft, shred papers that contain a Social Security number or bank account number before tossing them away. **True or False?**
 11. The only way a friend or family member can withdraw funds from your bank account if you become ill or incapacitated is if you add that person’s name to the bank’s records as a co-owner of the account. **True or False?**
 12. FDIC insurance only comes into play when an FDIC-insured banking institution fails. **True or False?**
 13. John has a payable-on-death trust account naming two people — his wife and a child — as equal beneficiaries. Under current FDIC rules, the account is FDIC-insured for up to \$200,000 (\$100,000 for each beneficiary). **True or False?**
 14. A death in a family can reduce the FDIC insurance coverage of bank accounts for which the deceased was a co-owner or beneficiary. **True or False?**
 15. If an FDIC-insured bank fails, most insurance payments are made within a few days, usually by the next business day. **True or False?**
- How did you do?** See the correct answers in the box on the right. If a little extra homework is needed, consider the additional resources listed on the next page.

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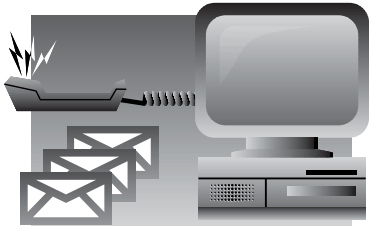
The FDIC encourages financial institutions, retirement communities, government agencies, consumer groups, the media and others to help make the tips and information in this special edition of **FDIC Consumer News** widely available to senior citizens.

The newsletter may be reprinted in whole or in part without advance permission. In addition, the FDIC offers this special edition online in a PDF version (at www.fdic.gov/consumers/consumer/news) that looks just like the printed newsletter and can easily be reproduced in any quantity. The back page of the PDF version also was intentionally left blank so that an organization could add its name, logo, a special message and/or self-mailing information.

Correct Answers

1. **False** (See Page 2)
2. **True** (See Page 3)
3. **True** (See Page 3)
4. **False** (See Page 4)
5. **False** (See Page 4)
6. **False** (See Page 5)
7. **True** (See Page 6)
8. **True** (See Page 6)
9. **True** (See Page 9)
10. **True** (See Page 9)
11. **False** (See Page 10)
12. **True** (See Page 11)
13. **True** (See Page 10)
14. **True** (See Page 11)
15. **True** (See Page 12)

For More Information



The **FDIC** offers a variety of assistance to help consumers understand how to handle their money and resolve complaints. Go to the FDIC Web site at www.fdic.gov or call toll-free 1-877-ASK-FDIC, which is 1-877-275-3342, Monday through Friday 8:00 a.m. to 8:00 p.m., Eastern Time. For the hearing-impaired, call 1-800-925-4618. Also, for details about the FDIC's special resources on deposit insurance issues, see Page 12. We also encourage you to read our quarterly newsletter **FDIC Consumer News**. Back issues and articles referenced in

this special report for seniors are available at www.fdic.gov/consumers/consumer/news or upon request from the FDIC Public Information Center (the same phone numbers as above). You can also sign up to receive an e-mail notice about each new posted on the Web site, with links to stories. Just follow the instructions at www.fdic.gov/about/subscriptions/index.html.

Many other federal, state and local government agencies publish consumer information and have staff, Web sites and other resources that can help answer your questions on financial matters.

A good place to start is www.mymoney.gov, the federal government's central Web site about managing your money. It is a service of the interagency **Financial Literacy and Education Commission**, which includes the FDIC. Also check out www.firstgov.gov/Topics/Seniors, which covers a wide variety of issues for seniors, including retirement and money. It is from **FirstGov.gov**, the official central Web site for U.S. government information.

In addition, the **Federal Citizen Information Center** manages a call center to help answer questions about federal government programs and services at toll-free 1-800-333-4636.

For information on general tax-related questions, such as when you can withdraw from a retirement account without a penalty, call the **Internal Revenue Service** at 1-800-829-1040 or go to www.irs.gov.

Regarding your Social Security benefits or how to file a benefit claim, contact the **Social Security Administration** at 1-800-772-1213 or go to www.socialsecurity.gov. For assistance regarding an employer's private retirement plan contact the **Employee Benefits Security Administration**, part of the U.S. Department of Labor, at toll free 1-866-444-3272 or go to www.dol.gov/ebsa.

The Eldercare Locator service of the U.S. Administration on Aging (part of the Department of Health and Human Services) helps older Americans and their caregivers connect with state and local government agencies and community-based organizations that can assist with a variety of problems. Call 1-800-677-1116 or search online at www.eldercare.gov.

Also visit the **Financial Security in Later Life** page on the U.S. Department of Agriculture Web site at www.csrees.usda.gov/fsll. It features links to financial education programs nationwide that are affiliated with the Cooperative Extension System and useful information on money management for seniors and families.

FDIC Consumer News

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