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Second-marriage money smarts
See page 6

Beware of advisers with bogus credentials

The alphabet soup of designations makes it hard to assess a money manager's real qualifications

Would you know the difference between a certified senior advisor (CSA), a certified senior consultant (CSC), a chartered advisor for senior living (CASL), a certified specialist in retirement planning (CSRP), and a certified retirement services professional (CRSP)? How about a certified annuity consultant (CAC) or a certified annuity advisor (CAA)?

Better start boning up. While some of those titles confirm actual expertise in helping older Americans with their investments, many others are misleading and some are little more than marketing ploys to lure credulous clients into buying dubious financial products. Not parsing the alphabet soup of "senior designations" used by financial professionals can make hash out of your retirement plans.

If, like many people, you consulted a CFP (certified financial planner) or an RIA (registered investment advisor) early on to set up or fine-tune your retirement savings strategy, you may already be in good hands. But if, like plenty of others, you chose to go it alone, contributing regularly to your employer's 401(k) plan and leaving the management of those assets to the plan's administrators, when you retire you're likely to need help navigating the sea of financial products that can be held in an IRA. Savings accounts, money-market accounts, mutual funds, exchange-traded funds, individual stocks

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FROM THE EDITOR

Margot Gilman
Editor

Priceless advice

One of the great things about working at Consumer Reports is that there is so much in-house expertise to tap. Your pen leaked ink on your blouse? We have a textiles pro with a degree in chemical engineering who can tell you how to make the blot disappear before your next meeting. Have a hearing-impaired father-in-law who is looking for a cell-phone recommendation? One of the guys in the electronics lab will happily point you in the right direction. Deciding between the salmon and the ziti at lunch? Between our sensory testers and nutritional pros, you'll get more considered judgments than you were probably after.

On the money side, we're no slouches, either. Take Tobie Stanger, who writes our Living Well in Retirement column. A financial journalist for more than 25 years, Tobie has made the issues that affect retirees—including Social Security, health costs, balancing investment risk and return, withdrawal strategies, and so on—her special focus. She's a retirement expert in the fullest sense, so we knew her idea to attend a bunch of free-dinner-cum-retirement seminars, the kind so frequently offered by investment advisers trying to lure customers, would be an interesting exercise. Would the quality of the advice pass Tobie's muster? Would there be anything she could learn? For the surprising answers, read her evaluation, on page 15.

What's on deep discount

June

Some sales are still tied to the calendar, including these, according to CR product experts

1 **CAMCORDERS** The right camcorder features are important, whether you're considering a standard-definition or high-def model. Check the type, size, weight, controls, and features. If you want better quality and more options, consider a full-sized model. If you need a smaller, more portable type or if you're an athlete or adventurer who loves to capture footage of yourself, then consider an action cam.

2 **COMPUTERS** Laptops let you use your computer away from your desk, but you pay for that mobility with a keyboard that's a little more cramped, a higher price, and sometimes, reduced performance. They're also more expensive to repair than desktops. Desktops deliver more performance. They allow for a more ergonomically correct work environment, let you work on a larger screen, and usually come with better speakers. But most of them take up a lot of space, even with a thin monitor.

3 **POTS, PANS, AND DISHES** You're likely to find these three products on lots of wedding registry lists. Luckily, many stores put them on sale now. If you're looking for a cookware set for a couple getting hitched, you'll want an assortment of skillets and pots, a stockpot, and lids. But don't automatically opt for the largest set; it might not be the smartest choice if new cooks will use only a few and the rest will take up space in their cabinet.

4 **SUMMER SPORTS GEAR** Two of the best ways to get moving this summer—bicycling and walking—are not only enjoyable but also happen to be among the most affordable ways to get in shape. Safety and comfort are the two most important factors when buying a bike, and proper fit is essential, so make sure you give a bike a spin before you buy. If you're a runner, keep in mind that our lab tests show that the lighter the athletic shoe, the better—as long as cushioning and stability don't suffer.

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CR Money Lab
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Please Recycle

Money tips

INVESTING

Don't believe this adviser award

Don't be duped by an adviser touting a "Five Star" award. The award, provided by Five Star Professional of Eagan, Minn., says recipients "provide quality services to their clients." But it's firms and peers who nominate the advisers, not the clients. So the award seems to measure popularity or productivity more than service. Use more objective criteria when choosing an adviser. Search for a fee-only financial planner at *napfa.org*. Screen each for "disclosure events" at *brokercheck.finra.org*. Also, search through your state securities regulator at *nasaa.org*.

CREDIT CARDS

Consider balance-transfer fees

With rising credit-card debt levels, you may be considering transferring a high balance to a balance-transfer card with 0 percent interest. But you may want to think first about the pitfalls. Though balance-transfer fees are coming down, many charge a 3 percent fee. After the promotional rate, they also start charging high interest rates. Do the math before making a move. It could prove more costly than you expected.

Traveling? Think twice before using hotel Wi-Fi

Hotel Wi-Fi networks are being targeted by scammers trying to steal your data, warns the Federal Trade Commission. Here's how to protect yourself:

➔ **Don't download a software update request when logging on to the hotel Wi-Fi network.** It could be a program designed to damage your computer or steal your data.

➔ **Send personal information** only to websites you know are fully encrypted. Look for "https" in the Web address—the "s" stands for "secure."

➔ **Use a virtual private network (VPN)** from a service provider or your employer. VPNs provide more security by encrypting traffic between your computer and the Internet, even on unsecured networks.

➔ **Create your own mobile Wi-Fi hot spot,** which encrypts traffic between your device and the Internet and uses the more secure cellular network instead of public Wi-Fi.

➔ **Install browser add-ons or plug-ins** such as Firefox's Force-TLS and HTTPS Everywhere. They force the browser to use encryption on popular websites that don't normally encrypt.

➔ **Log out of your account** immediately when finished using the Internet.

401(K) PLANS

Avoid a forced rollover

If you have a small balance in a 401(k) and leave your company, don't forget to tell your former employer what to do with the money. If you have less than $5,000, the plan can automatically transfer the balance into an individual retirement account (IRA). Such forced rollovers are almost always less than optimal for the account holder, according to the Government Accountability Office. Under Department of Labor regulations, the transfers must be invested conservatively, such as in money-market funds or CDs. But the fees often outpace returns. If a forced rollover happens to you, initiate another rollover into an IRA of your choice.

PROTECTION

Check your home insurance policy

With identity fraudsters nabbing a new victim every 2 seconds, a number of insurers hope to cash in on consumers' fears by offering identity theft insurance. Those policies generally cover expenses associated with restoring your identity and repairing your credit report, such as phone bills, lost wages, and certified mailing costs. But be sure to review your homeowners or renters policy first, because you may already be covered. If you aren't, identity theft insurance can often be added for about $25 to $50 per year.

87% Percentage of 0% APR balance-transfer cards that still charge a 3% fee.

Source: CardHub.com

ILLUSTRATION BY FREDERIC BENAGLIA; PHOTOS: GETTY IMAGES

Cover story
Continued from page 1

and bonds, and annuities, to name just a few, can be confusing to even experienced investors. Add to that decisions regarding long-term-care insurance and estate planning that can flummox the most level-headed person. "I've worked with clients who are really good at accumulating, but when it's time to retire, they're stumped," says Sheryl Garrett, founder of Garrett Planning Network, a nationwide network of independent, fee-only financial planners.

With the average rollover for individuals ages 55 to 64 totaling more than $100,000 in 2012, being in this crux moment can make you an attractive target. And, Garrett notes, "You are so alone. You can no longer turn to the human resources office for advice." Indeed, she warns, the act of rolling your 401(k) assets into an IRA "is like walking down the street with a bucket of money for people to reach in and grab."

DUBIOUS DESIGNATIONS

There are more than 50 senior designations currently used in today's marketplace, according to "Senior Designations for Financial Advisers," a 2013 report by the Consumer Financial Protection Bureau (CFPB). Though many senior specialists are the real thing whose titles confirm actual expertise in helping older Americans with their investments, the alphabet soup of acronyms makes it not at all obvious who has advanced training and who doesn't. "Titles like 'retirement adviser' or 'senior specialist' don't always mean the professionals are qualified to help you manage your money," says Nora Eisenhower, assistant director for the CFPB Office of Older Americans. "Some credentials require in-depth training that can enable specialists to provide consumers a valuable service, while other titles are easily picked up over a weekend."

Some credentials require in-depth training. Others can be picked up in a weekend.

Education, training, and regulatory oversight can vary tremendously from designation to designation. For example, a Certified Retirement Services Professional (CRSP), sponsored by the American Banking Association, requires five years' experience (or three years with a training program), taking a proctored exam, and accumulating 30 credits of continuing education every three years. But it's easily confused with a Certified Specialist in Retirement Planning (CSRP), whose much more lenient requirements amount to seven self-study courses and an online exam given by a non-accredited organization.

"You've heard of diploma mills where you can buy college degrees for a few thousand dollars. There are also certification mills that sell deceptive tools to unethical financial advisors for a few hundred dollars," says Jack Waymire, founder of Paladin Registry, a free research site that rates financial advisers.

DIPLOMAS ON DEMAND

Questionable senior designations represent just the tip of the iceberg. Paladin has researched more than 250 certifications, designations, and accreditations that advisers use to convince potential customers that they're experts in financial planning, investing, insurance, and taxes. (Go to *paladinregistry.com;* under "Investor Tools," look up "Check a Credential." Or go to the Financial Industry Regulatory Authority, at *finra.org,* and look up "Professional Designations.") "At least 35 percent of the certifications are scams," Waymire says, explaining that the credentials involved no prerequisites, no curriculum, no testing, and little to no continuing education. He classified an additional 50 percent as mediocre, with no significant prerequisites, limited curricula, self-study or open-book examinations, and low requirements for continuing education. "The good ones you can count on your fingers and toes," he says.

Even if someone carries what seems like kosher credentials, there's no guarantee that they actually earned the right to that designation. "There are people holding themselves out as having a legitimate designation when they've done no work for it," warns Jamie Hopkins, associate professor at The American College of Financial Services in Bryn Mawr, Pa. "There's a website where people can print out fake diplomas from The American College. They'll say they have a designation from us when they don't."

Bogus or trustworthy?

How can you determine which senior specialist to trust? A little research can save you a lot of heartache.

■ **Decode the designation.** Unscramble the alphabet soup by looking up titles and certifications on either Paladin Registry's website *(paladinregistry.com;* go to "Investor Tools" and scroll to "Check a Credential") or FINRA's Professional Designations guide *(finra.org/investors/professional-designations).* Make sure the credential is from an accredited organization, that the training and educational requirements are stringent, and that there's an easy way to file a complaint if necessary.

■ **Do a basic background check.** "We do a lot of investigation about where to go for dinner, but we don't take the time to figure out the background and regulatory history of the people we trust our money to," says Gerri Walsh, president of FINRA Investor Education Foundation. FINRA's survey found that 79 percent of respondents didn't check their broker for previous law violations and 65 percent didn't check their registration. Make sure the adviser is registered with your state's securities regulator or insurance commission. For the former, contact the North American Securities Administrators Association *(nasaa.org* or 202-737-0900); for the latter, contact the National Association of Insurance Commissioners *(naic.org).* That's especially important when checking up on con artists, who often pose as insurance agents when, in fact, they're salespeople scouting targets for high-priced annuities or similar products.

■ **Check their credentials.** The adviser could have the right credentials but still be a crook. BrokerCheck *(brokercheck.finra.org)* notes any disciplinary actions against investment adviser firms and individual representatives.

COVER ILLUSTRATION BY C.J. BURTON; PAGE 4: GETTY IMAGES

EASY PREY

Seniors are especially vulnerable to deceptive marketing by purported financial professionals with questionable credentials. A survey by the FINRA (Financial Industry Regulatory Authority) Investor Education Foundation found that 46 percent of respondents between ages 55 and 64 were more likely to rely on the advice of an investment professional flaunting an alphabet soup of senior financial accreditations.

Though not every older person is likely to fall into a scammer's trap, those who are vulnerable are very vulnerable, indeed. Hopkins notes that the industry has a nickname for people who rely on financial advisers: "We term them 'delegators,'" he says. "They want to pass decisions on to someone else. They're not a person who will spend a lot of time checking the background of an adviser."

Seniors may insist they're savvy enough to spot a con artist—the FINRA Investor Education Foundation survey found that 75 percent of respondents believe they have an above-average ability to resist high-pressure sales tactics and 58 percent felt they had a below-average chance of being taken in an investment fraud. But a joint study from DePaul University's Driehaus College of Business and the Rush University Alzheimer's Disease Center found that a decrease in cognition—a common result of aging—predicts an increase in overconfidence about one's financial acumen. "Overconfidence in financial knowledge is a significant factor for being victimized by financial fraud," the report states.

Furthermore, because they may not have sweated the details of their retirement savings over the years, some seniors may need to play catch-up just at the time when they're lacking the confidence, cognitive abilities, or experience to make the right decision. "Many people consulting with financial advisers later in life are doing so because they didn't consult with [one] earlier," says Gerri Walsh, president of FINRA Investor Education Foundation. "If this is the first time you're doing it," she cautions, "you don't want to make a mistake, because you cannot afford to make a mistake" when you have neither the time to recover nor the financial resources to lose.

President Obama has tried to crack the practice of questionable advice provided by managers of IRAs by directing the Department of Labor to raise investment-advice standards for brokers handling retirement accounts. At present, 401(k) plan administrators have a fiduciary responsibility to act in the participants' best interest, but managers of IRAs are not similarly bound. The DOL rule would impose fiduciary responsibility on IRA advisers, but the timetable for review and adoption is vague.

It's not difficult to spot the red flags advertising a phony adviser if you—or a trusted family member or friend—are willing to sniff around on the Internet. It may take a little time, but it's better to spend the time than to lose your money. $

What's in a name?

A FINRA survey of investors ages 55 to 64 found that 17 percent were more likely to take advice from someone with the title "Certified Advisor for Senior Investing." The problem: The designation doesn't exist. Here's what we found behind the name of some credible-sounding credentials:

Designation	Required coursework	Accreditation
Accredited Retirement Advisor (ARA)	None	None
Certified Elder Planning Specialist (CEPS)	None	None
Certified Estate Planner (CEP)	Six-month curriculum, followed by proctored exam; must hold a valid current license as a financial, legal, or tax professional	Nationally accredited (NICEP)
Certified Retirement Counselor (CRC)	Minimum of 60 hours of self-study, proctored exam	Nationally accredited (NCCA)
Certified Retirement Services Professional (CRSP)	Three years' experience with training program, proctored exam	Nationally accredited (ABA)
Certified Senior Advisor (CSA)	CSA course plus experience working with seniors, proctored exam	Nationally accredited (NCCA)
Certified Specialist in Retirement Planning (CSRP)	Self-study	None
Certified Estate and Trust Specialist (CES)	Self-study online, online proctored exam	Nationally accredited
Chartered Advisor for Senior Living (CASL)	15 semester hours (18 months average completion)	Regionally accredited
Chartered Estate Planning Practitioner (CEPP)	Self-study, online proctored exam; prerequisite of valid current license as financial, legal, tax, or accounting professional, or social worker	Nationally accredited
Chartered Retirement Planning Counselor (CRPC)	Self-study and online instructor-led classes, proctored exam	Nationally accredited (The College for Financial Planning)
Chartered Senior Financial Planner	Three-day course; prerequisite of two years' insurance or securities experience or licensed attorney or CPA	None
Elder Care Asset Protection Specialist	None	None
Personal Retirement Planning Specialist (PRPS)	Six weeks of self-study with 24 hours of webcast-recorded lectures	None
Registered Financial Gerontologist (RFG)	No prerequisites, six courses, open-book exam	None

Getting married again? Read this before you tie the knot

Save yourself, your intended, and your kids from financial heartache

Love is lovelier the second time around, Frank Sinatra once crooned. But it's often also more complicated. You may have finally found your soul mate, but you also may be taking the plunge into a more complex financial situation. You may have significant savings, investments, or debt, and if you were hurt financially in a divorce, you'll probably be wary. And if dependent children or parents are in the picture, combining households is tricky.

So before you finalize the guest list and order the cake, have a good, long talk with your spouse-to-be about money. The conversation can be difficult, but setting the financial terms of your union can minimize misunderstandings or disappointments later on. Here's a blueprint:

ALEX CAO/GETTY IMAGES

BE OPEN ABOUT YOUR MONEY BACKGROUND

It may sound tacky to ask your beloved his or her credit score, but the question is legitimate. You need to know about a potential partner's financial problems in advance, says Les Parrott, a psychologist in Seattle who is also a co-author, with his wife, Leslie, of "Saving Your Second Marriage Before It Starts" (Zondervan, 2015). Discovering after the wedding that, say, a new wife has $25,000 in credit-card debt creates a sense of betrayal. "If she's hiding that," he asks, "what else is she hiding?"

In addition to addressing expectations about money management and other concerns, talk about your money styles—such as whether you're a saver or a spender—and the financial worries that sometimes keep you up at night. A talk about how finances were handled in the home in which you grew up, and during your first marriage, can also be illuminating.

CONFRONT EXPECTATIONS ABOUT CHILDREN AND PARENTS

Knowing how each partner handles money with his or her own kids—and expects to treat stepkids—is also critical. Robert Boyd, a partner and family-law attorney with Boyd Collar Nolen & Tuggle in Atlanta, says that parents who are engaged need to be honest about their expectations regarding allowances, paying for college, and financial assistance to adult children. If one parent spoils her kids and the other is a tightwad with his, family dynamics can suffer. "It can cause a lot of friction in a marriage when parents treat their kids differently," Boyd notes.

Managing money and kids can get particularly delicate when one parent comes to the marriage with a lot of money and the other doesn't. In those cases, Boyd has recommended marital counseling.

Blended families often neglect to mention stepchildren on the Free Application for Federal Student Aid (FAFSA), says Mark Kantrowitz, senior vice president of Edvisors, a college-finance website. Doing so could increase a student's chances for financial aid. On the flip side, the stepparent's income from the prior year must be included. The solution he suggests: Wait to marry.

If elderly parents require financial help—or might in the future—Boyd counsels couples to discuss those expected liabilities and even include them in a prenuptial agreement (see "Trusting in Trusts," on the facing page). "The document doesn't go into details like the amount of money for a parent's care," he says. "But it will indicate that this is an anticipated expense" that you expect to meet.

RETHINK JOINT ACCOUNTS

Consider separate accounts for expenses that are all your own, says Reid Abedeen, a partner at Safeguard Investment Advisory Group in Corona, Calif. Support for an adult child or other family members could come from that separate source. Having your own resources can prevent spousal arguments over spending.

Boyd also says that he has clients who split their household expenses. The husband might pay the mortgage and property taxes and the wife handles utilities, insurance, homeowners association fees, and other bills. Such an arrangement is particularly useful for folks affected by an expensive divorce. "They want to get into a level of trust, but they know how they've been burned before," Boyd explains.

Indeed, separate accounts can ensure your financial independence and provide protection—just in case. After all, there is nothing to stop either owner of a joint account from draining it on the spot, says Marilyn McWilliams, a partner specializing in estates and trusts at Moye, White, a Denver law firm. "People put things in joint names without understanding what that means," she notes.

DEAL WITH DEBT

Your new spouse isn't responsible for the debt you bring to the marriage, but he or she can still be affected by it. The money you put to those payments can't go toward shared expenses. If your debt is considerable, you might have trouble borrowing as a couple. So Leslie Tayne, an attorney in Melville, N.Y., and author of "Life and Debt" (Gateway Bridge Press, 2015), recommends putting homes or cars in the name of the less indebted spouse. Once the old debt is paid off, the indebted spouse's name can be added to the deed.

Tayne also counsels clients to ensure that their ex-spouses' financial problems don't follow them. Make sure that all previous joint accounts are closed, and check credit reports often for mistakes. (Get a free credit report annually from each of the three credit-reporting agencies through *annualcreditreport.com.)*

Divorced people have been known to use their exes' Social Security numbers to open new credit accounts, Tayne says. You may not detect a fraudulent account until you apply for credit yourself—another reason to monitor your credit reports. "Don't want to put your head in the sand," she says.

CONSIDER A PRENUP

A prenuptial agreement might not make sense for a first marriage, but it's useful for later ones. "When you're 21 and neither person has a penny, there's nothing to talk about," McWilliams says. "The second time around, there's a lot more to discuss."

A prenup helps when one partner has significantly more assets than the other and wants to protect them in the event of a divorce, says Michael Ettinger, a trusts and elder-law attorney in New York. It can spell out whether a spouse will get real estate, stocks and bonds, and personal effects upon divorce.

Parrott isn't a big fan of prenups because he thinks they show a lack of faith. But he admits that they can weed out partners who aren't primarily focused on the relationship. "It's an X-ray machine for the motivations for marriage," he acknowledges.

THINK ABOUT INHERITANCES

When you die, your current spouse will probably be the beneficiary of your 401(k), unless he or she waives the right to that money. That money could be inherited by your stepkids. In contrast, in most states you can name whomever you want as your IRA beneficiary. So if you want your own kids to inherit your retirement assets, roll over old 401(k)s into IRAs and name them as beneficiaries. For life insurance, beneficiary designations supercede wills.

Don't wait until you're remarried to remove your ex-spouse's name as a beneficiary. Update your will, health care proxy, power of attorney, and other estate documents, too.

PLAN FOR TAX EFFECTS

In terms of taxes, second marriages aren't any different from first marriages. Blending incomes can put you in a higher tax bracket, subject to a higher income limitation for itemized medical expenses and miscellaneous deductions.

People who remarry can potentially save taxes on the sale of their primary residence. The IRS says that to utilize a $500,000-per-couple capital-gains tax exclusion, a surviving spouse must sell within two years of the partner's death. To preserve that big exclusion when both spouses are selling homes that have appreciated a lot takes some forethought, notes Steven Garcia, a CPA based in Armonk, N.Y. In that case, both partners should sell within the two-year window and before marrying, or wait beyond two years to remarry and sell.

As a married couple, you'll usually pay more in federal income tax than you would filing separately as singles. So if tax savings are important, consider the timing of your nuptials. Garcia says he once counseled a couple who planned to remarry on New Year's Eve to wait till after midnight to sign the documents. Doing so ensured that they could file as singles for that one final year. $

Trusting in trusts

If you're entering your second marriage with dependents, setting up trusts can help delineate who gets what when you die. Assets in trust escape probate. So a trust allows you to leave some assets to your children and helps prevent a will contest in probate court among your survivors. The assets aren't considered part of your estate that could be used by your spouse or spouse's children. A trust can't own retirement accounts, but it can own other assets, such as your house.

Michael Ettinger, an estates and elder-law attorney in New York City, suggests appointing co-trustees: one a relative, the other a disinterested party. "Your kids see someone looking after their interest," he says. "That helps keep the peace."

You'll have to consider a trust's costs. In New York State, for instance, revocable living trust fees —paid when you, the grantor, have died—are capped. A $1 million estate would require trustee fees of up to $6,900 per year.

Here are some trusts worth considering:

- **Revocable trust.** It can be revoked by you, the grantor, while you're alive. You can be the trustee; you can also dip into it at any time. This plain-vanilla trust lets you set aside money for children, grandchildren, or other relatives, stipulating the age or circumstances under which the money can be released. You can do the same for a new spouse, allowing for "invasions of principal": that is, withdrawals for living expenses. (In contrast to revocable trusts, irrevocable trusts usually have a different trustee and limit access to principal or income.)
- **Disability trust.** Putting money in a trust toward the care of a disabled child ensures that your spouse won't have to foot the bill. "We don't recommend that money being part of the marital assets," says Reid Abedeen, a financial adviser in Corona, Calif.
- **Medicaid trust.** When determining a person's eligibility for publicly funded nursing care, Medicaid looks at all marital assets, prenup notwithstanding. Ettinger recommends creating an irrevocable, Medicaid asset protection trust (MAPT) to protect your assets from Medicaid. It also protects a spouse's assets from being used for the other spouse's care. For that reason, both spouses can have MAPTs. Medicaid's five-year look-back period starts once the trust is established. If you need nursing care before then, you pay only for the years remaining.

You can't put retirement funds in a MAPT. To make the trust legal, you then limit withdrawals to dividends. "If people don't need that non-IRA nest egg to live on, we recommend putting it in the MAPT and out of their name," Ettinger says. "If you can't get at it, Medicaid can't get at it."

A silver lining for international stocks

Most overseas stocks are in the doldrums. Frontier markets have been an exception

You may be forgiven if you consider foreign stock markets a risky Do Not Enter zone. After all, over the past five years the returns of most foreign stocks have been pretty abysmal. Global stocks (excluding those of the U.S.) lost 3.4 percent in 2014, while any reasonably diversified U.S. stock portfolio would have provided double-digit annual returns.

And the view over the horizon appears no better. When you compare the improving state of the U.S. economy with those overseas, investing in foreign stocks seems even less compelling. Here in the U.S., the unemployment rate continues to remain well below 6 percent. Our gross domestic product, though hardly on fire, is still healthier than most other developed overseas economies. And now, King Dollar rules the currency roost. In addition, lower gasoline prices mean Americans can spend more, which also helps the economy. Many other countries, by contrast, are still flirting with economic slowdowns and posting double-digit unemployment rates.

But some investment strategists do see opportunities overseas, especially in what are known as frontier markets—nations that are on their way to becoming emerging markets in the next few years. Frontier markets are clustered in four regions of the world: South Asia, Africa, Eastern Europe, and the Middle East.

A NEW FRONTIER

Until recently, it was extremely difficult for individual investors to buy into those markets. But now frontier markets appear to be on trajectory similar to the one emerging markets rode 15 years ago, when it first became possible to invest in them through ETFs such as the iShares MSCI Emerging Markets index (ticker: EEM).

Mutual-fund giant T. Rowe Price has identified frontier markets as an opportunity for investors in 2015. Among the reasons cited is an overall decline in conflicts in those areas, an overall improvement in governmental and economic management. In other words, the risk that political events in those zones could negatively affect investments has fallen in recent years. That's good for investors.

Then there's the economic growth. According to T. Rowe Price, seven of the 10 fastest-growing economies last year were in Africa—and almost the entire continent is considered a frontier market.

Frontier-market stocks have served investors better than emerging-market stocks over the past five years.

To many, frontier-market stocks seem even riskier than ordinary emerging-market stocks. But somewhat paradoxically, recent data from Morningstar indicates that frontier markets can be less risky as long as funds diversify among them instead of focusing on just one region.

The reason for that is that the uncertainties in frontier markets are idiosyncratic: The risks of investing in Vietnam are completely different from the risks of investing in Morocco or Romania. Emerging markets, by contrast, are more interconnected: Among the so-called "BRIC" (Brazil, Russia, India, and China) economies, Brazil's is dependent on commodity exports whose prices have fallen because of slowing demand from China, a primary importer of Brazil's natural re-

Frontier funds

These relatively new diversified frontier-market funds allow individual investors access to fast-growing international markets that may also be less risky than traditional emerging-market economies.

Fund	Ticker	Total returns (%) 1-Year	3-Year*	5-Year*	Expense Ratio (%)
Forward Frontier Strategy	FRNMX	-6.6	7.1	2.6	1.01
Harding Loevner Frontier Emerging Markets	HLFMX	-5.2	8.6	4.5	1.77
Morgan Stanley Frontier Emerging Markets	MFMIX	-4.9	14.3	8.2	1.85
iShares MSCI Frontier 100	FM	-5.3	—	—	0.79

Data: Morningstar. Returns as of March 31, 2015. *Annualized.

TOP RIGHT: GETTY IMAGES; BOTTOM LEFT: DAVVI sources. Russia is overly dependent on oil and simultaneously mired in political risk. And stocks of India, the least dirty shirt in the BRIC hamper, are as expensive as U.S. stocks.

For those reasons, frontier-market stocks have served investors better. Over the past five years, they returned 8.4 percent annually, while emerging-market stocks managed only a 3.1 percent annual gain (see chart below). The real action, though, has been during the past two years. In 2013, the MSCI Frontier Markets Index returned an impressive 26.3 percent, vs. the 3.6 percent return of the MSCI Emerging Markets Index. And last year frontier stocks gained 7.2 percent, while emerging markets fell 1.1 percent.

RISING TIDES

There's an argument that a rising tide lifts all boats. Though frontier stocks are a very specialized segment of international investing, as foreign markets perform better, frontier markets should also benefit. More analysts are saying that now is a good time to consider adding some international stocks to your portfolio. The reasons vary from concern that U.S. stocks are unlikely to keep winning the gold medal year after year to the belief that international stocks, despite lackluster returns since 2010, won't remain in a slump forever.

A more concrete reason to consider international stocks, though, is that they are cheaper. The price-to-earnings ratio for U.S. stocks is forecast to be just over 17 for this year. Meanwhile, European stocks and those of emerging markets are cheaper.

Adding international shares to your portfolio brings other benefits. It can reduce your overall risk. If U.S. stocks do fall—as some expect—exposure to international stocks could cushion the fall and reduce your portfolio's volatility.

It's worth noting as well that European companies are in a good position right now to benefit from the weaker Euro. That stands to allow their exports to be more competitive in U.S. markets—boosting their bottom lines.

INVESTING IN FRONTIER FUNDS

Investors should realize that although a frontier market's fund may offer less risk than an emerging-market fund, it's still a riskier prospect than, say, investing in large-cap dividend stocks. So think of an investment in a frontier fund as an alternative to investing in a traditional emerging-market fund, such as the Vanguard FTSE Emerging Markets ETF (ticker: VWO) featured in the ETF Focus report card (see page 10).

Before investing, you should also realize that this segment is in its infancy, so there's not a lot of history to go by. Morningstar identifies 10 diversified frontier-market funds and five frontier-market ETFs—not many, considering the thousands of other funds that are available to investors. The oldest of those funds goes back to 2008, and most were launched only in the past three years. There aren't likely to be many more funds formed in the coming years because there are significant logistical hurdles to investing in frontier markets.

You should also know you won't be buying into mammoth funds. Most frontier-market funds hold no more than $1 billion in assets. In that respect, frontier-market fund managers are similar to those who manage small-cap and micro-cap stock funds: They have limits to the amount of money they'll be able to invest.

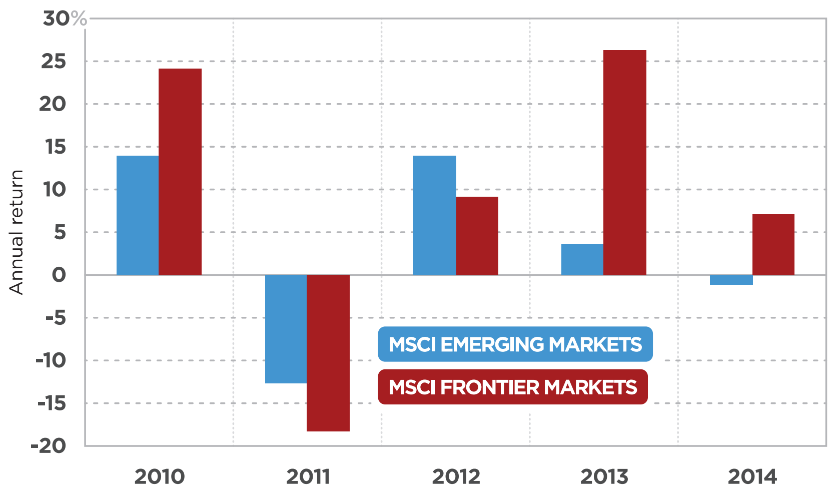
You'll also need to consider the fees you will be paying. Passively managed frontier-market ETFs have, unsurprisingly, lower expense ratios (ranging from 0.58 to 1.01 percent annually) than actively managed frontier-market funds (which cost investors 1.35 to 2.45 percent annually).

That's why we ordinarily recommend that investors buy index funds. In addition to lower expense ratios, they often have an edge over actively managed funds due to greater market liquidity. But when it comes to frontier funds, this may be one of the rare times when the added cost of an actively managed fund is worthwhile. Frontier funds have less liquidity than index funds, so frontier-market index funds don't have the advantage that broader index funds usually have. The result: For frontier markets, actively managed funds may tend to perform better.

Another reason to choose actively managed frontier-market funds is because their managers can provide more value: Research on companies trading on the Morocco Casablanca Stock Exchange, for example, isn't easy to get on your own. $

Breaking away

Frontier-market stocks have pulled away from emerging markets in recent years.



Data: Morningstar.

ETF focus

Cybersecurity? There's a fund for that

A new ETF aims to help investors profit from digital security threats

Electronic security breaches make headlines so frequently that there is now a fund that lets you invest in firms fighting that troublesome trend. The PureFunds ISE Cyber Security Exchange Traded Fund (with the somewhat predictable ticker of HACK) was launched late last year.

Created by a New Jersey investment firm that manages only one other ETF, HACK is one of the latest in a growing number of new ETFs that invest in stocks that revolve more around a particular theme rather than an industry or a broader index. Other thematic ETFs recently created include funds that invest in genomics, social media, robotics, and nuclear-energy companies.

As far as niche ETFs go, HACK has some good attributes. Although four months isn't enough time to evaluate any investment performance, HACK is up 10 percent since its November 2014 launch, while broad market U.S. stock indexes remained largely unchanged over that period. And HACK's 32 stock holdings will help protect investors from the risk of being overinvested in a single stock. (Some thematic ETFs have held as few as four stocks.)

In this new tech ETF, small-cap stocks outnumber more established cybersecurity names.

But diversification among stocks is not the same as diversification among assets. If tech stocks sell off, most of HACK's holdings will lose value in tandem. And naturally, considering the relative newness of cybercrime, many of the stocks in HACK aren't well established: Half of the cybersecurity companies have been public for less than five years. Smaller firms, such as CyberArk, Infoblox, and FireEye, the three largest holdings of HACK, outnumber more established large-cap holdings such as Cisco, Symantec, and Japan's Trend Micro.

The HACK ETF has an expense ratio of 0.75 percent, which is certainly more expensive than the core holdings in our monthly ETF report card below. You might be able to build a similar bespoke investment for less using a specialized brokerage such as Motif Investing. But the more important point is that thematic investing speaks more to our speculative urges than to the notion of investing for the long term. Though none of the thematic ETFs mentioned should be confused with the marijuana stocks we write about in the Portfolio section this month, history is littered with investment themes that flamed out. $

ETF report card — June

How an all-ETF portfolio, comprising the largest ETFs, would have performed over the past one, three, and five years.

Exchange-traded fund	Ticker	Category	Total returns (%) 1-year	3-year*	5-year*	Expense ratio (%)
STOCKS						
iShares Core S&P Mid-Cap	IJH	Mid-cap stocks	12.1	16.9	15.6	0.12
iShares MSCI EAFE	EFA	Foreign large-cap stocks	-1.0	8.9	6.1	0.33
iShares Russell 2000	IWM	Small-cap stocks	8.3	16.3	14.6	0.20
SPDR S&P 500	SPY	Large-cap stocks	12.6	16.0	14.3	0.09
Vanguard FTSE Emerging Markets	VWO	Emerging-market stocks	3.0	0.6	1.8	0.15
BONDS						
iShares JPMorgan USD Emerging Markets Bond	EMB	Emerging-market bonds	5.1	4.4	6.4	0.40
iShares TIPS Bond	TIP	Inflation-protected bonds	3.0	0.5	4.2	0.20
Vanguard Total Bond Market	BND	Intermediate-term bonds	5.6	3.0	4.3	0.08
ALTERNATIVES						
Materials Select Sector SPDR	XLB	Natural resources	5.3	12.2	10.3	0.15
SPDR Gold Shares	GLD	Commodities	-8.5	-11.0	0.8	0.40
Vanguard REIT	VNQ	Real estate	24.1	14.1	15.8	0.10
PORTFOLIO			6.3	7.5	8.6	

Data: Morningstar. Returns as of March 31, 2015. *Annualized.

GETTY IMAGES

Why marijuana stocks might go up in smoke

Cannabis companies are rife with problems. For now, investors would be wise to just say no

If you're like many investors, you always have an eye out for the next big growth market. If you can get in early, you might be able to profit handsomely—maybe even make a killing. For many, the market for marijuana stocks, much like the market for tech stocks in the early 1990s, seems to offer such an opportunity.

The main reason is that the marijuana market is growing rapidly. Over the past year, retail sales in Colorado alone generated about $700 million, almost half of which came from sales of medical marijuana. Cannabis is now legal in four states, with perhaps five more planning to join them in 2016. Twenty states allow the use of medical marijuana. It seems clear that the trend will continue and that marijuana will become a multibillion-dollar industry.

Dozens of cannabis companies have sprung up as a result of a wave of legalization and decriminalization. Investors can now bet on them through so-called marijuana stocks—and do they ever. When laws legalizing marijuana in Colorado and Washington state went into effect, shares in many of those companies soared.

But it wasn't long before they came crashing down. The harsh reality is that if you buy shares in pot stocks today, your investment stands a good chance of fizzling out.

WILD WEST OF CAPITALISM

Part of the reason has to do with how marijuana stocks, also known as penny stocks, trade. Medical Marijuana (ticker: MJNA), Cannabis Science (ticker: CBIS), and GrowLife (ticker: PHOT), to name a few of the largest, trade on the over-the-counter market. The companies that register them are subject to almost no listing requirements and are barely regulated by the Securities and Exchange Commission or the Financial Industry Regulatory Authority (FINRA). (A number of legitimate foreign firms are on the OTC market for reasons of convenience, but that's another story.) Those companies don't have to file reports with the SEC, so reliable information about their income statements and balance sheets can be difficult for investors to come by.

The market for marijuana stocks is a great place for con men to run 'pump and dump' schemes.

That makes the OTC market a kind of Wild West of capitalism and a great place for con artists to run "pump and dump" schemes, luring investors into stocks with promises that the market for marijuana will soon be worth billions of dollars. As investors pile in to buy the shares, the stock prices rise. Then the con artists sell their shares for a profit while small investors watch their holdings disappear as the stock plummets.

TRADING HALTS ON POT STOCKS

Such behavior led the SEC to put temporary trading halts on five of the better-known marijuana stocks last year: Fusion Pharm (ticker: FSPM), Cannabusiness Group (ticker: CBGI), Advanced Cannabis Solutions (ticker: CANN), Petrotech Oil and Gas (ticker: PTOG), and GrowLife. The reasons included doubts about the accuracy of financial information, potentially illegal sales of securities, and market manipulation.

Another problem: Some of the people who run the companies have less than stellar backgrounds. Medical Marijuana in San Diego, for example, was founded by Bruce Perlowin, who spent nine years—from 1983 to 1991—in prison for smuggling marijuana into San Francisco from Colombia. And a board member at the company was arrested for possession in Alabama in 2013. Perlowin is now CEO of Hemp, based in Las Vegas, which would like to become a leader in the industrial hemp industry.

Another pot executive, Michael Llamas, the former president of Medical Marijuana, was indicted by a federal grand jury in 2013 for his involvement in mortgage fraud that caused $10 million in losses. He has pleaded not guilty.

Given that many marijuana companies have dubious financial records and questionable management, and that they're influenced by con artists, it's surprising that any investor would be interested. Yet there continues to be considerable interest in the subject on Internet forums and a bevy of activity. Some stocks, such as Cannabis Science, trade more than a million shares per day. Even GrowLife, which went from 50 cents per share to 3 cents before the SEC temporarily halted trading, has an average daily trading volume of 1.6 million shares.

But investors shouldn't be fooled into thinking that they can handle the risk just because the penny stocks trade for, well, pennies. They also shouldn't be swayed by the incredible gains the companies have had because their losses were equally incredible. Wait to see whether marijuana is legalized at the federal level. If that happens, there will be legitimate publicly traded companies in which to invest. $

Your aging parent needs to move in with you

A year ago, Wendy and Don Wintman received a tearful call from Don's mother, Joan. She had lived alone in her Florida home since the death of her husband a decade earlier. But after some minor falls, she reluctantly concluded that it was time to make a move.

"We knew the direction the situation was headed," Wendy recalls, "so Don, our two children, and I had already decided we would add an addition so she could live with us." Wendy, 58, works for Consumer Reports, just down the hall from the Money Adviser staff.

Joan, 89, moved into the house in Rockland County, N.Y., last November. She spent about $135,000 on a first-floor bedroom, kitchen, and bath; Wendy and Don paid $90,000 to cover, in part, more bedroom, bath, and closet space upstairs for the rest of the family. Joan has her own entrance, and there's a door that can be closed to separate her space from the rest of the house. But it's usually left open so that everyone, including the family's two dogs, can visit. "We've always been a close family, but I haven't received so many hugs and kisses in years," she says. "I just love living here."

As our parents get older, many of us consider letting them move in with us. But the financial ramifications are often greater than people anticipate, says Bradley Frigon, an estate-planning attorney in Englewood, Colo. Here are some factors to consider before you extend an invitation:

HOME-REMODELING NEEDS

If your house or apartment is too small to accommodate a parent, one option is to add space, like the Wintmans did. But the cost can be substantial: A master-suite addition costs $111,245 on average, according to Remodeling magazine's 2015 Cost vs. Value Report. Even if a major renovation isn't required, you might need to make changes. For example, doorways should be 36 inches wide to accommodate a wheelchair or walker. Widening them can cost $500 to $5,000, depending on construction needs, says Bill Owens, a builder in Columbus, Ohio, who is a certified aging-in-place specialist, a designation given by the National Association of Home Builders. Or you can install swing-clear hinges, which allow doors to open entirely out of the door frame. Each hinge costs about $20 to $100.

An occupational therapist can assess the way your parent does everyday tasks to recommend renovations that will increase his or her safety. Projects might include additional lighting and adding grab bars. Ask your physician for a referral to an occupational therapist in your area. The average hourly wage is about $38, according to the Bureau of Labor Statistics.


Wendy Wintman, left, and her mother-in-law, Joan Wintman, have a family history of generations living together.

POSSIBLE REDUCTIONS IN INCOME

If your parent is still healthy, she can help around the house and contribute financially. But if she needs daily assistance and you decide to provide the care yourself, that usually requires taking time from work. For female caregivers 50 and older, the average amount of lost income, Social Security, and pension payments totals about $324,000, according to a 2011 MetLife study. For male caregivers 50 and older, the loss is $284,000.

A home health aide can provide such services as cooking, cleaning, reminding your parent to take medications, and taking him to appointments. They make a median of $20 per hour, according to the 2014 Genworth Cost of Care survey. Your local Area Agency on Aging office (find it at *eldercare.gov)* can help you find an aide, in-home skilled nursing care, and more.

TAX CONSEQUENCES

If your parent pays you market-rate rent, you'll have to declare it on Schedule E when you file your taxes. But any additional expenses you have as a result of her stay, such as higher bills for electricity and food, can be counted against that income. Details are in IRS Publication 527.

You might be able to get a tax break by claiming your parent as a dependent. The biggest hurdle is your parent's gross income, says John W. Roth, senior federal tax analyst at Wolters Kluwer Tax & Accounting in Riverwoods, Ill. Your parent can't earn more than $3,950 if you claim him as a dependent. (Social Security payments generally don't count.) You also have to cover more than half of his expenses for the year. And there are additional requirements; IRS Publication 501 explains the ifs, ands, or buts, and includes a work sheet.

If your parent qualifies as a dependent and needs continual care, you might be eligible for another tax break. If care is required so that you can go to work, you can claim the dependent-care credit. It can be worth up to 35 percent of your qualifying costs, depending on your income. Read Form 2441, Child and Dependent Care Expenses, to see how the rules apply to you.

SHARING SUPPORT

If you have siblings, decide how each of you will contribute to your parent's care. If no one covers more than half of her support but you each contribute at least 10 percent, one of you can claim her as a dependent on IRS Form 2120. The others must sign a document saying that they waive any tax-exemption claims for that year. You can rotate who claims the deduction annually if you'd like. $

PHOTO COURTESY OF THE WINTMAN FAMILY

Budget-smart ways to buy organic

The right choices can minimize the hit to your wallet

If you're like many people, you'd probably buy more organic food if it wasn't so expensive. That's a real concern. We recently did a price study comparing the cost of a basket of organic produce, meat and chicken, milk, and other foods with their conventional counterparts. We shopped at eight national, regional, and online grocers.

BART SADOWSKI/GETTY IMAGES

You'll get more bang for your buck when buying certain categories of organic meat and produce.

There were more than 100 product pairings in all. On average, the organic versions were 47 percent more expensive, but the range was considerable. In a few instances, the organic product was actually cheaper, by as much as 13 percent for maple syrup at Amazon Fresh. At the other extreme, organic zucchini was a whopping 303 percent more than Fresh Direct's nonorganic zucchini.

The term "organic" refers to the way farmers grow and process agricultural products—dairy, fruits, grains, meat, and vegetables. And it's a term with teeth. Organic-certification agencies inspect and verify that farmers, ranchers, distributors, processors, and traders comply with strict regulations from the Department of Agriculture.

Why buy organic? The primary reasons are to help support family farming methods that are healthier for the environment and to avoid exposure to pesticide residue. There are nutritional benefits as well. A 2014 analysis of multiple studies by the British Journal of Nutrition, for example, concluded that organic crops contain higher antioxidant levels than nonorganic ones.

It's a message that has been getting through. Since 2012 more than 90 percent of retailers have increased the number of organic foods they sell. Compared with 2007, the demand for minimally processed foods and goods with shorter ingredients lists has also mushroomed, according to The Hartman Group, a consumer research firm.

The market for organics—currently $35 billion per year—is projected to grow by double digits this year, according to the Organic Trade Association. More than 80 percent of households buy at least some certified organic products. The growth is being fueled in part by the wider availability of those products at national merchants like Costco, Target, and Walmart.

"There's a growing rejection of overly processed and packaged foods, especially among younger consumers," says Jim Hertel, a managing partner at Willard Bishop, supermarket-industry consultants in Barrington, Ill. "They're 'can rejecters' looking for 'clean' ingredient labels; they're suspicious about food additives. They're so sure 'less is more' that they buy gluten-free even if they're not allergic to gluten. They know quality food doesn't have to cost an arm and a leg.

"Plus, outlets like Whole Foods have changed the perception of natural, organic, 'wild caught' seafood and the like from being sacrifices one makes for the good of the planet to indulgences one wants because they are better tasting. And oh, they're better for the planet, too."

If you're on a tight budget, you'll get more bang for your organic-shopping dollars by deciding where to splurge. We recommend the following categories:

➜ **Fruits and vegetables:** Rinsing conventional produce doesn't effectively reduce pesticide residue. Organic produce isn't treated with synthetic fertilizers or most synthetic pesticides as a matter of course. Buying organic produce can help avoid long-term exposure to such residue.

➜ **Poultry:** Organic poultry is raised without the routine use of antibiotics, which are triggering a rise in antibiotic-resistant bacteria. Also, organic poultry can't be fed "litter," a mixture of droppings, spilled feed, and feathers, or arsenical drugs.

➜ **Meat:** Organic cattle aren't given antibiotics, either. That's a plus, but for optimal nutritional benefits, look for beef labeled "Grassfed Approved" or "USDA Process Verified Grass-Fed." Studies suggest that meat from such animals might provide more health benefits than meat from those raised on a conventional grain diet.

➜ **Milk:** Organic milk contains about 60 percent more heart-healthy omega-3 fatty acids than nonorganic, a benefit that also extends to yogurt and cheese, according to research. And organic dairy cows aren't treated with growth hormones or fed a diet containing animal byproducts. $

Where to shop—or not

In our latest supermarket survey of almost 63,000 Consumer Reports subscribers, we gathered data on which grocery chains have the overall best and worst prices for organics. Our price study was strictly anecdotal. Here are the winners and losers:

LOWEST PRICES

- Trader Joe's
- Wegmans
- Costco
- Sprouts Farmers Markets

HIGHEST PRICES

- Whole Foods Market
- Country Market
- IGA
- Piggly Wiggly
- Big Y
- Albertsons
- Food Lion
- Weis
- Giant Eagle
- Randalls
- Jewel-Osco
- Stop & Shop
- Acme
- Pick 'n Save
- Tops
- Shaw's
- Pathmark
- A&P
- Waldbaum's

Once-free services you have to pay for

5 aspects of medical care your insurance won't cover

Banks, utility companies, and airlines have been doing it for years—slapping service charges on your bills for those assorted "extras" that were once provided free. Now doctors, hospitals, and other medical facilities are routinely adding a variety of administrative charges that insurance won't cover, leaving patients to foot the bill.

The rules governing reimbursement don't allow doctors to charge for additional time spent responding to requests for authorization for tests or treatments, or for doing research on their patients' care. But Daniel B. Brown, a health care attorney with Taylor English Duma in Atlanta, says that doctors are usually allowed to request payment in these other cases:

You fail to show up for an appointment

With the rate of no-shows in the U.S. ranging from 5 to 55 percent, no-show fees have become increasingly common. Medicare and commercial insurance plans allow doctors to tack on charges when patients fail to cancel appointments within a specified period of time (usually 24 hours in advance). To ensure that they're paid for their time, some practices and health facilities now request credit-card information in advance.

You would like to consult your doctor over the phone or online

Medicare doesn't reimburse doctors for interactions that fall outside traditional face-to-face visits, and many insurance companies tend to follow Medicare's lead. For example, Oxford states that for telemedicine services including telephone calls, Internet services, and consultation services, it follows guidelines from the Centers for Medicare and Medicaid Services (CMS). That means it doesn't reimburse for medical procedures and services coded by current procedural terminology because they don't involve direct, in-person patient contact. So for now, if you have a new health problem and would like your doctor to handle it over the phone or by e-mail, or you're using an online health service that's connecting you with a provider you've never met, you could be billed.

A few exceptions exist, some new for 2015. Check with your insurance carrier. For instance, under very specific circumstances, such as in rural or hard-to-service areas, Medicare will allow interactive audio and video telecommunication if it's real-time communication between a patient and a distant doctor or health care specialist who is doing the service reported. The patient must participate from a medical facility.

For example, if you have a new health problem and would like your doctor to handle it over the phone, you could be billed.

You want your information sent to you or a different doctor

The Health Insurance Portability and Accountability Act (HIPAA) permits health care providers to charge for providing copies of "protected health information" to patients or their designated representatives. They can include those for copying (including supplies and labor), postage (if the information is to be mailed), and preparing an explanation.

Almost every state also has laws authorizing physicians and other health care providers to charge patients reasonable costs for copying and delivering medical records. Illinois, for example, permits health care practitioners and facilities to charge patients for copies of medical records on a sliding scale not to exceed 75 cents per paper page, depending on the number of copies. The cost is half of that for the retrieval of electronic records. Patients there can also expect to pay a basic handling charge of $20 for processing the request, plus postage or shipping charges. Many states have adopted patient protection laws that prohibit doctors from refusing to deliver your medical records, even if you owe the doctor medical fees.

You need a form filled out

You can also be billed for routine administrative requests, such as filling out forms needed before you join a gym, resume playing a sport, or return to work after you've been out on disability or for family leave of absence. But doctors can't charge additional fees for services for which they are already being paid, such as performing a checkup and filling out a form. That's considered "double dipping."

You need a doctor to coordinate care

A new 2015 code pays doctors a monthly fee to coordinate better care for patients with multiple chronic illnesses, even if they don't have a face-to-face exam. If you have two or more conditions expected to last at least 12 months—for example, asthma and diabetes—you can designate one doctor per month to provide chronic-care services. You will also have access to a member of your care team on a 24/7 basis to address urgent needs in a timely manner and to ensure that you can get routine appointments with a designated practitioner or member of the team. Medicare will cover the service, but you'll be responsible for the deductible and co-payment unless your secondary insurance picks those up. $

This article was written by **Orly Avitzur, M.D., M.B.A.,** *Consumer Reports' medical adviser.*

GETTY IMAGES

Musings of a retirement seminar ‘plate-licker’

Is the free meal worth enduring the financial spiel?

Tobie Stanger
Senior Editor

Dinner will be served.

If you’re like me, those are the only words that matter when a free “educational seminar” mailing arrives. Forget come-on titles like “Will You Outlive Your Money?” “Retirement Strategies You Must Know!” and “Investing During Uncertain Times.” What I want to know is, Which restaurant? And what’s on the menu?

Still, until earlier this year, I had ignored the invites from financial advisers looking for business. But I’d become curious about whether their lectures had any, um, nutritional value.

There’s a connection between free meals and fraud, according to a study released several years ago by the Financial Industry Regulatory Authority (FINRA). Seniors who were identified victims of fraud were three times more likely to have attended a free lunch seminar. AARP even has the Free Lunch Monitor Program, including a checklist to help you spot and report scams, at *bit.ly/1Ho3eBo.*

I didn’t unearth fraud in my stint as a “plate-licker,” the industry’s term for folks who eat the fish but don’t take the bait. But between the grilled tilapia and layer cake, I did hear some eyebrow-raisers. If you RSVP, beware of these common features:

CREATING TRUST, PLAYING ON FEAR

To establish advisers’ bona fides, several invites noted their designations—Investment Advisor Representative, Chartered Retirement Planning Counselor, Financial Advisor, Senior Financial Service Executive. (For info on vetting titles, see “Beware of Advisers With Bogus Credentials,” on page 1.)

At one dinner, a tag-team pair of Morgan Stanley advisers, sounding like politicians, told of their local ties, quasi-humble beginnings, and charity work. A third presenter—who turned out to be an insurance-company rep—endorsed the pair.

An adviser associated with Ameriprise played to common concerns. “Less than half of retirees will live the retirement they want,” the presenter noted. Other dinner speeches focused on financial-market volatility and future uncertainty. Investors’ anxieties and confusion were other themes.

The advisers didn’t necessarily dispel that confusion. At the Morgan Stanley dinner, I heard about tactical management, illiquidity, and allocations. At another dinner, an independent planner mentioned short selling and short covering. I doubt everyone trying the cheesecake that evening understood those terms.

In the end, the presenters’ conclusions were the same: You need us. “Even the most experienced climbers hire guides,” said the Ameriprise guy as he showed a slide of mature hikers. “It’s nice to have someone who understands the market help us feel comfortable,” the insurance-company rep said.

LAYING OUT SOLUTIONS

The advisers’ tips were quite general—appropriate for a gathering like these. And no doubt they hoped diners would follow up for specifics. But some statements made me pause mid-chew. “It’s not really a buy-and-hold market anymore,” one Morgan Stanley guy said. “These days you have to have tactical moves.” That meant responding to market trends, the insurance lady explained. It sure sounded like market timing—not my cup of Earl Grey.

And yes, I heard a plug for an annuity. It wasn’t for everyone, the independent planner cautioned. On the surface, the product looked tempting: an income guaranty and an annualized return from 2008 to the present beating the Standard & Poor’s 500 Index, net of expenses. (He was right; I checked his math.) But left unmentioned were stiff penalties for surrendering the product early.

A PALATABLE ALTERNATIVE

Ironically, the presentation that left the best taste in my mouth—Edelman Financial Services’ “Smart Women Finish Rich” workshop—offered no food. Though not just about retirement, the program offered by far the most education. (A promo code waived the $15 fee.)

A pleasant young woman explained the process: Identify your values, craft goals around those values, plan. We heard how to start saving effectively. We learned how diversification, combined with that buy-and-hold approach, grows assets exponentially. We got tips on teaching kids money skills. We heard a bit about insurance, estate planning, and tax planning.

Two planners stood in the back to talk to participants; I would have liked a mention of their qualifications. In place of grilled black Angus steak, each participant took home a workbook and two personal-finance books.

On the way out, I asked a middle-aged woman what she’d learned. “I need to check my beneficiary designations,” she said.

Had they charged one, that alone would have been worth the price of admission. $

Tobie Stanger, M.B.A., *has covered personal finance for Consumer Reports for more than 20 years.*

Ask the **adviser**

Question of the month

I received a letter from Home Depot advising me of a potential decrease in my credit limit since I had not used its credit card in 10 months. Will a reduction affect my credit rating? Should I just cancel my card?

—J.W., Fayetteville, Ark.

It would be advisable to make a small charge on your card to preserve your credit line. The reason is that any balance you have on that card is calculated as a percentage of the credit limit. So if you have a $1,000 balance on a card with a $10,000 credit limit, you've used only 10 percent of your available credit, which is good for your credit score. If the credit limit drops to $5,000, you're suddenly using 20 percent of your credit line, which could hurt your score. It's always good to have a higher credit line that's mostly unused than to have a smaller credit line in which a larger percentage is used.

Required minimum distributions

I have several IRAs. Must I take the specified required minimum distribution percentage from each, or can I sum the amount and take it all out of one?

—M.S., address undisclosed

You must separately calculate the required minimum distribution for each IRA. But you have a choice of withdrawing the total of all of your RMDs from one IRA or from more than one. You have the same option with multiple 403(b)s: You can take the total RMD for all of your 403(b)s from just one 403(b) or from more than one. But for other types of retirement plans, such as 401(k)s and 457(b)s, you must calculate and take your RMDs separately from each account.

Life insurance

I have a $200,000 convertible term life insurance policy I no longer need, since the beneficiary—my wife—recently died. Should I sell the policy to a life settlement company? *—W.M., Austin, Texas*

Convertible term life insurance gives the policyholder the option, when the limited term of coverage expires, to convert the policy to permanent coverage without requiring additional proof of insurability. But though the value of the policy would remain the same, the premiums would be likely to go up significantly. Because your policy is a term policy, it accrued no cash value over the years, so it may not make sense to keep making payments, especially since your wife has died. Furthermore, any money that your receive from selling the policy to a settlement company would be taxed as capital gains, rather than as ordinary income—a much lower tax bite.

Car leasing

My automobile lease with Audi is ending, but I want to switch to another manufacturer. Am I required to turn in the lease to Audi, or can I turn it in to the dealership of the next car I get?

—N.A.H., New York, N.Y.

You can return the vehicle to the dealer of another manufacturer, and that dealer will handle the return process for you. The leasing company may charge you fees, though, if you've exceeded the miles allowed or there's more than normal wear and tear on the car, unless the dealer of your new car wants to buy the old car. In that case, the lender may make it difficult to sell your leased car to a new-car dealer. The leasing company could also charge you a fee of up to $700 to get the car back as agreed on inception unless you lease another car through the same financial institution that you used before.

talk to us

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