



Quick Tips



Top 10 Things You May Not Know About Medicare

Eileen St. Pierre, The Everyday Financial Planner

I recently attended a Medicare training given by the Centers for Medicare & Medicaid Services (CMS) and learned a few things. Here is my top ten list of things you may not know about Medicare:

10. The annual Medicare & You manual is printed specifically for your state. In 2016, only 320,000 of the 56.5 million Medicare beneficiaries got these manuals online. That's a lot of printing.

9. While Medicare does cover some skilled and home health care, it does not cover long-term care. I keep repeating this because it's important.

8. You need to be admitted to the hospital for Part A coverage to take effect, otherwise Part B kicks in and you will have to pay for 20% of the cost yourself unless you have Medigap insurance. Just because you stay overnight at the hospital does not mean you have been admitted. You may still be in observation status.

7. 10,000 people a day are going on Medicare.

6. There is a two-year look-back period when your Part B premium is set. This means if you recently retired and earned a high salary, you may pay more for Part B even if your income in retirement is much lower.

5. The Donut Hole (prescription drug coverage gap) goes away in 2020.

4. Dates matter! If you don't sign up when you are first eligible, you will have to pay more for Parts B and D for the rest of

your life.

3. If you don't enroll in a Medigap policy when you are first eligible, insurance companies can charge you more or deny you coverage if you have pre-existing conditions. In other words, enroll when you are first eligible for guaranteed acceptance.

2. The #1 claim denied by Medicare is for ambulance services. The #1 source of fraud is in home health care services.

And the #1 thing you may not know about Medicare is:

Starting April 2018, Medicare will start issuing new cards that do not contain your Social Security number. For more information go to

<https://www.cms.gov/Medicare/New-Medicare-Card/index.html>.

Instead they will have a unique number for each Medicare beneficiary – benefits will not change. The goal is to help guard against identity theft. New cards will be sent out randomly. This means my mother may get hers in April 2018 but my father may not get his until December 2018. There is no way you can find out when your cards will be mailed to you.



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Have ideas for upcoming newsletters or Quicken questions that you would like to have answered?

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Decluttering Can Help You Financially

Cindy Clampet

A favorite author of mine who writes about financial information is Suze Orman. She talks about the psychology of why we spend or save or invest the way we do, and how to change our habits by looking at the root cause. I read her book “The Courage to Be Rich” in about 2000 or 2001 when I started to realize that I would be retiring one day and wondering how I was going to be able to live on my meager retirement salary. Her book really encouraged me to take a hard look at my financial situation and to start saving hard-core for retirement. Of course, I kick myself now for not starting sooner because I could have done much better in the saving for retirement game, but I am glad that I at least got started when I did.

One of the chapters in the book that inspired me talked about the relationship between clutter in your home and workplace and your financial situation. She describes one man’s discovery that his wife had been hiding bills from him and that they were seriously in debt and in arrears on their bills. He did some further digging and found credit cards he didn’t know his wife had which had current balances on them. Many of them were over the due date. His family was out of the house when he made this discovery and, in shock, he started walking through all the rooms in the house and looked at all the “stuff.” His kid’s rooms were crammed with the newest toys and gadgets and clothes. They were strewn all over the place. He and his wife’s room was no better. There were clothes in the closet with the tags still on them. They had an overabundance of expensive personal toiletry and hair care items. The living room and kitchen areas were in the same shape. The

newest kitchen appliances sat on the counter, rarely used. They bought new furniture more often than most people. Their cabinets were full of food, some of it past the expiration dates. They drove new cars, took expensive vacations. It was a huge household of seeming abundance, but along with it there was a mountain of debt.

Does this seem familiar? (not to you, but to someone you know? LOL) This situation is more common than you might think. Many of us seem to want to fill all our space with “stuff” and to make sure our kids have all the newest gadgets and toys so they know we love them. And many people do that with credit cards, not thinking about how they will be paid off.

When the family came home he sat them down and told them that they were going to stop what they had been doing. (after he talked to his wife privately, I bet!) They were going to have a big garage sale and get rid of everything they weren’t using, putting all that money on the bills. Of course, there was a lot of grumbling and reluctance to give anything up, but when this family DID change their habits, becoming more intentional about what they bought, things began to turn around for them. They looked for free entertainment for the kids, and found it. They set up a budget, they rolled over some debt to an interest free (for a time) card and paid it off before the offer was up. They got their house in order and then the financial house began to come into order as well.

If you are looking for some inspiration for starting your own financial journey, I encourage you to look in the library for books by Suze Orman, Dave Ramsey, or many

Disaster Losses and Related Tax Rules- Factsheet Excerpt

J.C. Hobbs Agricultural Economics Extension Specialist – Farm Taxation

The dollar value of property losses due to fires, floods, tornadoes, earthquakes, lightning, freezes, etc. can be substantial. Federal income tax regulations often provide relief by allowing deductions for losses of both business-use and personal-use property. This article describes losses to property and how to reconstruct business records to document a loss. A full text version can be found at: <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-10773/AGEC-1066web.pdf>

To determine the extent of a loss, the owner of the

property will need to compare the property’s condition immediately before and after the event to determine the extent of the loss and whether the amount of the losses may be deductible against taxable income. If the damaged property was insured, there may be the possibility of a taxable gain if the insurance reimbursement is greater than the amount of the deductible loss.

Farm and Business-Use Property

A farm operator can deduct casualty losses that occur in the business of farming. For a loss to be deductible, a

Disaster Losses and Related Tax Rules- Factsheet Excerpt (cont.)

taxpayer must show proof that a casualty occurred. A record must be kept containing a description of the casualty (fire, tornado, etc.) and when it occurred, plus proof that the loss was a direct result of the event. In addition, the taxpayer must have ownership of or be liable for the damage to the property. If the property was insured, there is a need to provide information with the income tax return that the property was insured and that there is a possibility of reimbursement from the insurance company for all or part of the loss. The following information describes and discusses the damage or destruction of various types of property; both farm business-use and personal-use property. The loss of business-use property is presented first followed by loss of personal-use property.

Example: Fences

A fire that was a result of an accident burns your pasture and all the fences are destroyed. The fences were completely depreciated and therefore had a zero tax basis. You decide to replace the perimeter fences; you will not have a deductible loss since the tax basis of the fences is zero. The total costs of the fences you replace are depreciable subject to current depreciation rules. The loss of future income from grazing the pasture is not allowed as a deduction. Should you qualify for cost sharing to replace the fencing, the amount of the cost sharing is not taxable, but it will reduce the depreciable basis in the new fence. Here, you do not get a tax deduction, but you also do not have to include the cost share payment in income.

Example: Raised Livestock for Sale

All the costs of raising livestock are deducted as operating expenses on Schedule F: Profit or Loss from Farming, and therefore they will have a zero tax basis. Since the cost of raising an animal is deductible on Schedule F, there is no cost basis for the animal and there is no deductible loss. The future income from these animals is not allowed as a deductible loss even though their value typically increases as they grow.

Record Reconstruction Tips

Reconstructing records after a disaster will likely be essential for tax purposes, getting federal assistance, or insurance reimbursement. Historical records that you need to prove your loss may have been damaged or destroyed in

a casualty. The following tips are designed to help reconstruct your records to prove loss of business property.

The reconstruction of records is not an impossible task, but will require time and effort. Much of the following discussion comes directly from IRS Publication 2194, Disaster Resource Guide. It contains the IRS prescribed methods for reconstructing records.

Business Records

- To reconstruct supply inventories, get copies of invoices from suppliers. Whenever possible, the invoices should date back at least one calendar year.
- For income items, get copies of bank statements. The deposits should closely reflect what the sales were for any given time period.
- Obtain copies of last year's federal, state, and local tax returns including sales tax reports, payroll tax returns and business licenses (from city or county). These will reflect gross sales for a given time period.
- For furniture and fixtures, it will likely be helpful to sketch an outline of the inside and outside of the business location. Then start to fill in the details of the sketches, such as where various equipment and other stored items were located.
- If you purchased an existing business, go back to the broker for a copy of the purchase agreement. This should detail what was acquired.
- If the building was constructed for you, contact the contractor for building plans or the county/city planning commissions for copies of any plans.

Due to the complex nature of the casualty loss rules, it is important to work closely with your tax advisor. A trained tax professional can assist by making sure that you properly document your losses and take advantage of all the potential income tax benefits to reduce the adverse economic impact of the casualty. In addition, special rules apply to federally declared disaster area losses and your tax professional can help explain these rules help you take advantage of them.

The Internal Revenue Service (IRS) has a variety of publications available to assist property owners who experience disasters. A list of these publications as well as ad-

Credit Freeze Information in the Wake of the Equifax Hack

Barbara O'Neill, Extension Specialist in Financial Resource Management, Rutgers Cooperative Extension

Credit experts recommend that consumers freeze their credit to reduce their risk of becoming an identity theft victim. This has to be done individually with each of the “Big Three” credit reporting agencies (Equifax, Experian, and TransUnion), plus some experts also recommend doing a freeze with a lesser-known credit reporting agency called Innovis to “cover all the bases.” That means making 4 separate freeze requests per person or 8 requests for a couple. By freezing your credit, you prevent potential creditors from accessing your credit file, thereby preventing identity thieves from opening accounts in your name. However, credit freezes will not deter non-credit related frauds such as tax refund identity theft and health insurance fraud. For that, consumers are simply told to “be vigilant”.

Credit freeze requests can be made online, by phone, or by certified U.S. mail. Expect to devote some time to this task. Here is online contact information for each credit reporting agency to request a credit freeze:

Equifax: https://www.freeze.equifax.com/Freeze/jsp/SFF_PersonalIDInfo.jsp

Experian: <https://www.experian.com/freeze/center.html>

TransUnion: <https://www.transunion.com/credit-freeze/place-credit-freeze>

Innois: <https://www.innovis.com/personal/securityFreeze>

In Oklahoma, fees are \$10.00 for placing the freeze, \$10.00 to lift it and no cost to remove it. For people over age 65, the fees are free to add, \$10 to lift and free to remove. Equifax freezes are free if you have been impacted

Be Prepared For The Holiday Budget Busting Season

Oklahoma Society of CPAs

Soon, the 2017 holiday season will be in full swing and shoppers across the nation will begin making purchases in record numbers. In fact, according to the National Retail Federation’s 2017 predictions, retail sales in November and December are expected to increase up to \$682 billion, up from \$655.8 billion from 2016. Before you get caught up in the frenzy, it’s best to take a step back and make a holiday spending plan so you and your family can still enjoy the holidays without breaking the bank. Use the following tips from the Oklahoma Society of Certified Public Accountants (OSCPA) to save—and protect—your family’s money.

1. **Split the cost of feasts.** If you think holiday dinners will eat a hole in your budget, consider hosting a potluck. While the cost of the main dish does remain the host’s responsibility, ask your family and friends to bring any side dish or dessert they choose to supplement the meal. Get guests to send their recipes ahead of time and then you can create a little stack of recipe cards tied with a ribbon as a low-cost keepsake for guests to remember the meal. Remember, no matter what is served, the point of holidays is to spend time together.

2. **Budget, budget, budget.** Avoid getting caught up in

the madness by listing people for whom you’re buying gifts and how much you plan to spend on each person. You’ll want to add your purchases as you shop and mark off each name as you buy that person’s gift. There are even [budget calculators](#) designed to help you stay within your means during the holiday season. On Black Friday, stores can become overly-crowded and people can get competitive, even confrontational, for a good deal. A game plan will not only keep you on task, but it will also make it easier for you to avoid excessive impulse buys that wreak havoc on your wallet.

3. **Only shop on secure sites.** When Cyber Monday follows Black Friday, make sure any site where you shop has a URL that begins with “https” instead of “http.” That means the site is secured with a Secure Sockets Layer (SSL) Certificate. Secure sites will also display an icon, such as a padlock or an unbroken key, to let consumers know credit card information is protected. Additionally, if a site has a privacy statement, which explains how they secure your information, you’ll want to read the fine print to make sure you agree to their terms. If you’re unsure if a site is reputable, avoid entering any personal information.

4. **Don’t believe everything you read.** Businesses have

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been known to inflate the original prices of products to make shoppers believe they are getting a great discount. If you know what products you'll be shopping for, research the original prices and do some price comparisons well before the holidays so you'll be able to pick the best prices and get the most savings. You may find out some "deals" aren't deals at all.

5. **Make your travel plans early.** If you have to travel to see your loved ones, make sure you don't wait until the last minute to book your trip. That could leave you stuck with a red-eye flight with 3 layovers that really took a chunk of your budget. If you are weary of flying

because of costs, consider driving within a reasonable distance. If a group of travelers can switch off driving, that makes the haul less tiresome on one driver. Additionally, you may even be able to split the costs with other family members.

To get personalized advice on family finances, visit your CPA. He or she can help you with your financial questions and concerns. If you don't have one, get a free referral and free 30-minute consultation at www.FindYourCPA.com. For more financial advice, like [Know What Counts on Facebook](#), follow [Know What Counts on Twitter](#) or visit KnowWhatCounts.org, where

Quicken 2018 is Available

Damona Doye, Farm Management Specialist

Quicken is moving to a subscription base for its software. While recent versions have been promoted as supported for three years, now you have an opportunity to buy a version with either a one or two year subscription. The Deluxe version which we have historically used in our workshops is available for \$44.99 per year from the Quicken website. Features touted as new for 2018 in the Deluxe version include: access to 11,000+ online billers; bill PDF downloads; improved bill center dashboard and PDF download of bills; expanded custom report display and direct Excel export; backup for files with Dropbox (5GB); move and archive investments transactions.

The check register will be familiar—no visible changes there (it still bothers me that recent editions have required a Reset button, which I've had to use). The planning tools—savings, retirement, college, refinance, loan calculators—are included. The category list looks much the same and importing a farm category list is still possible. You can add, delete and edit categories and subcategories, including

linking tax line items. Report and graph features are also familiar.

A new tab, Add-On Services, offers you the opportunity to buy Quicken Bill Pay, Premium Support (Windows Only), Quicken Social Security Optimizer, TrustedID for credit monitoring and identity theft protection, PAY-TRUST to receive, pay and track bills, and Quicken WillMaker for estate planning.

If you want to use Quicken Bill Pay to directly pay bills from any checking account, have priority access to customer support, or want improved portfolio analysis with buy and hold comparisons, you'll need to purchase the Premier version. The Home, Business and Rental Property version promises the ability to create custom invoices with your logo and colors, email custom invoices directly from Quicken, add payment links directly to invoices, save rental documents directly in Quicken, and email rent payment reminders & receipts.

Too many people spend money they earned..to buy things they don't want..to impress people that they don't like. -- Will Rogers

10 Tips For Safe Online Holiday Shopping

Oklahoma Society of CPAs

OKLAHOMA CITY – Black Friday sales didn't actually wait for Black Friday this year. Many retailers jumped the gun and already began their holiday sales. According to the National Retail Federation, 59 percent of consumers will make online purchases, up from 56.5 percent from 2016. With credit card numbers flying through cyberspace, make sure you take steps to protect your security if you plan to shop online this year. The following tips from the Oklahoma Society of Certified Public Accountants (OSCPA) can keep an online Grinch from ruining your holiday cheer.

1. **Verify the company and website.** One of the most important first steps you can take is to make sure you're actually making a purchase from a legitimate business. Independent websites like Biz Rate will let you read what other consumers have to say about a business. The Better Business Bureau Online offers consumers a list of safe shopping sites. When in doubt, go with a reputable company you already know and trust.

2. **Look for signs of security.** When it's time to input your payment information, look for an "s" after "http" in the website address, ensuring your data is encrypted as it is transmitted. Also look for a tiny closed padlock in the address bar or on the lower right corner of the window. As an added security measure, update your website browser. The most recent versions of website browsers are typically the most secure.

3. **Be skeptical.** We're all looking for a bargain, but approach a deal that seems too good to be true with caution. Submitting your information to an unknown company to purchase a new computer for \$25 could be risky. Paying the higher price through a trusted vendor may be the difference between a secure purchase and a compromised credit card number.

4. **Pay with plastic.** Yes, financial planners often tell you not to run up your credit card bill, and that still holds, but using your credit card for online purchases offers you some protection that debit cards may not. If there are any problems, you can work with your credit card company to file and resolve a dispute. Incidentally, many credit cards offer protection or insurance on purchases. In lieu of using plastic, many retailers will allow you to use a third-party payment service, such as PayPal, which guarantees your purchase.

5. **Safeguard your Password.** It's time to get a little more sophisticated with your choice of passwords; and "abcd123" isn't going to cut it. Today's hackers are smart and determined. Get creative and use a combination of letters, numbers and symbols. For example, if you want to make your password memorable and use a pet's name, you could try "\$p0tTheD0g" or something similar.

6. **Check it out.** When your credit card statement arrives, go over every detail, making certain all of the pur-

E-Farm Management Resources

Brett Ladd, *Extension Specialist*

The OSU Department of Agricultural Economics (OSU Ag Econ) has developed online content that provides an opportunity for participants to learn more about financial management. YouTube videos, podcasts, publications, spreadsheets and webinars are accessible to anyone interested in improving their understanding of finances. The aim is to help producers refocus on business fundamentals. Thirty-one topic sections each include one or more videos and associated educational resources. **Examples of topics include Farm Income Statements, Borrowing Money, Tax Issues for Farmers, Crop Insurance, Livestock Marketing, Risk in Agriculture, and many more.** Viewers will not only gain better understanding of finances, but also gain new insights and perspectives they can use when thinking about their operation's future.

Along with the farm management resources, live webinars are being offered (also recorded and archived for later viewing):

Webinar Schedule

- What's Realistic on 50 Acres of Pasture - November 28
- Legal Issues for Farmers/Ranchers - December 5
- Financial Stress Testing - January 16
- Landowner Rights - January 30

Videos and resources may be found at: <http://agecon.okstate.edu/efarmmanagement/> Course videos and past webinars may also be accessed on YouTube at: https://www.youtube.com/playlist?list=PLmAQSnDxrxwI2_u2PNmBK84bT_o4ZQYZ0 or by searching YouTube for "OSU agecon."

Estate and Transition Planning Vocabulary Matching Game

Jason Johnson, Texas Agrilife Extension

Time for a little fun! Write the letter of the correct definition next to the number of each term. The answers are at located at the bottom of page 5.

Term	Definition
1. ____ Gift	a. Legal proceeding to prove the validity of existing wills, supervise the orderly distribution of decedent's assets to the heirs, and protect creditors by ensuring that valid debts of the estate are paid.
2. ____ Testator	b. The fair market value of all of a decedent's interests owned at the date of death plus the fair market value of certain property interests transferred during their life, in which some rights, powers, use or possession was retained.
3. ____ Will	c. A lifetime, voluntary transfer of property (including money) from a donor to a donee/entity completely free of payment or obligations.
4 ____ Beneficiary	d. Individual or entity responsible for acting as a fiduciary to manage the trust assets and carrying out directions that are formally expressed in the trust instrument.
5. ____ Conservator	e. A person who makes a will.
6. ____ Trust	f. A person appointed by the court to make decisions about the property of an incompetent person.
7. ____ Executor	g. A structure that vests title to assets in one party, the trustee, who manages those assets for the benefit of the beneficiaries.
8. ____ Administrator	h. Legal document that provides the testator the opportunity to control the distribution of property, appoint an executor and avoid the state's intestacy law distribution scheme.
9. ____ Probate Process	i. Person entitled to receive the death benefit of a life insurance policy at the insured's death; can also be the person who holds the beneficial title to a trust's assets.
10. ____ Gross Estate	j. Estate representative designated in the will by the decedent to carry out the instructions found in a will.
11. ____ Trustee	k. A person appointed by the probate court to carry out the instructions found in a will if an executor is not named.

You May Also be Interested in Archived Webinars

If you haven't caught our webinars live or have a conflict on Tuesdays at lunch, you can view them at http://agecon.okstate.edu/conference_full.asp

Oct 31, 2017 Crop Rotation and Cover Crop Use with Josh Lofton and Lynn Brandenberger

Josh has been studying and evaluating Oklahoma cropping systems and how to integrate new crops into traditional Oklahoma production systems. He shares views on how these new potential crops can help improve system sustainability and how to manage non-crop seasons. Lynn has been studying cover crops and their potential for improving soils for vegetable crop production. He shares information on the use of cover crops to improve plant stands and generally why cover crops are a great way to improve soils.

Oct 17, 2017 The Oklahoma Ag Mediation Program (OAMP), Mike Mayberry, and Intensive Financial Management and Planning Support (IFMAPS), FSA Borrower Training Programs and eFarmManagement, Damona Doye

Producers considering changes to their operation in these challenging times can learn about available resources to help them evaluate their options. Mike discussed ways OAMP can assist producers in trying to reach realistic, durable solutions to the challenges of debt or not qualifying for USDA and other lenders and creditors programs. Damona discussed IFMAPS, which is a service that provides financial analysis and planning to producers looking at making changes to their opera-

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This newsletter provides farm financial management information and Quicken instructions for farmers and ranchers. Quicken instructions are written using Quicken Deluxe 2017. However, most features are available on previous releases of Quicken Deluxe, but may use slightly different steps to achieve the same function.



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