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Hello Everyone. In a flash, August is upon us and Fall is beginning to appear on the horizon. This month's newsletter begins with a brief info-graphic showing how much Social Security coverage for women has progressed since 1980 as the employment rate for women continues to grow. Next, an interesting article discusses how the COVID-19 pandemic has drastically changed the college landscape, touching on student loan payment suspension, potential room and board refunds, and decreasing student loan interest rates, among other topics. The next piece discusses filial responsibility laws, showing which states have them, how they can be enforced, and how Medicaid can be used to remove the financial burden of your long term care from your children. Lastly, a brief article presents points to consider before taking a trip, as the current virus climate has introduced new cancellation policies and travel advisories. We wish you a safe and pleasant August. The WealthCrest Team

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Almost Nine Out of Ten Women Qualify for Social Security on Their Own

Because of a long-term rise in the employment rate for women of all ages, the percentage of women ages 62 to 64 who are fully insured for Social Security retirement benefits based on their own work records has increased significantly since 1980.

To qualify for Social Security benefits, people must work in jobs where they pay Social Security taxes and earn Social Security credits (one per quarter, up to four per year). Most people need 40 credits (the equivalent of 10 years of work) to become fully insured for Social Security retirement benefits.

Source: Social Security Administration, 2020

The Changing College Landscape

The 2020-2021 academic year is right around the corner, and the coronavirus pandemic has upended the college world, like everything else. Not only has COVID-19 impacted short-term college operations and student summer plans, but the virus could end up being the catalyst that changes the model of higher education in the long term. Here are some things to know about the changing college landscape.

College funds. Market volatility has been at record high levels this year, and college nest eggs may have taken a hit. Parents who have lost their jobs or otherwise suffered significant economic hardship due to COVID-19 might reach out to their child's college financial aid office to inquire about the possibility of a revised aid package, if not for fall then for spring.

Parents of younger children may want to review their risk tolerance and time horizon for each child's college fund. Parents who are using a 529 plan to save may have experienced one of the drawbacks of these plans in 2020: the restriction that allows only two investment changes per year on existing 529 account balances. This limitation can make it more difficult to respond to changing market conditions.

Student loan payment pause. The Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted in March 2020 created a six-month automatic suspension of student loan payments for millions of federal student loan borrowers, along with a six-month interest freeze. The six-month period ends on September 30, 2020. Borrowers who anticipate having trouble restarting their monthly payments in October can contact their loan servicer to inquire about eligibility for an income-driven repayment plan.

Potential refund for spring room and board. Colleges were one of the first sectors to act in the early days of the coronavirus outbreak, asking students to extend their spring breaks in March and then directing them to stay home for the rest of the semester and finish classes online. Many colleges offered partial refunds for room-and-board costs for March, April, and May, but only for students living in dorms and on a college meal plan, not for off-campus students. If you think your son or daughter may have been entitled to a refund and didn't get one, contact the college to inquire.

Updated health guidelines for fall. Students heading back to college will likely find updated guidelines on social distancing and best practices for health and wellness, with potential restrictions on almost every facet of college life, including living in dorms, attending classes, eating in dining halls, and participating in student activities. Some programs may be limited or unavailable, such as studying abroad. Make sure your child has up-to-date health insurance and knows how to contact the campus infirmary if the need arises.

Interest Rates on Federal Student Loans

Interest rates on federal student loans have decreased to record lows for the 2020-2021 academic year. The new rates apply to federal Direct and PLUS Loans disbursed July 1, 2020, through June 30, 2021.

	2020–2021	2019–2020
Direct Loans: Undergraduates	2.75%	4.53%
Direct Loans: Graduate Students	4.30%	6.08%
PLUS Loans: Parents and Graduate Students	5.30%	7.08%

Source: U.S. Department of Education, Office of Federal Student Aid, 2020

Expanded online learning. Many colleges were already offering online classes before the coronavirus outbreak, but the pandemic shined a spotlight on this critical capability. Look for colleges to ramp up their online course offerings and make them more widely available to all students, not only during times of crisis but as part of a typical semester's course offerings. Some colleges might even require their fall semesters to be entirely online. Students will need to continually embrace new technology related to remote learning.

College selection. The coronavirus may have a long-term impact on how students choose colleges going forward. Cost is likely to play an even greater role, as many families may have less income and savings to put toward college expenses. This is likely to sharpen the focus on a college's net price. Location may also play an outsized role. Will students choose colleges closer to home for logistical and personal reasons? If so, look for state flagship schools to become even more popular, which will in turn increase their competitiveness.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

Could You Be Responsible for Your Parents' Nursing Home Bills?

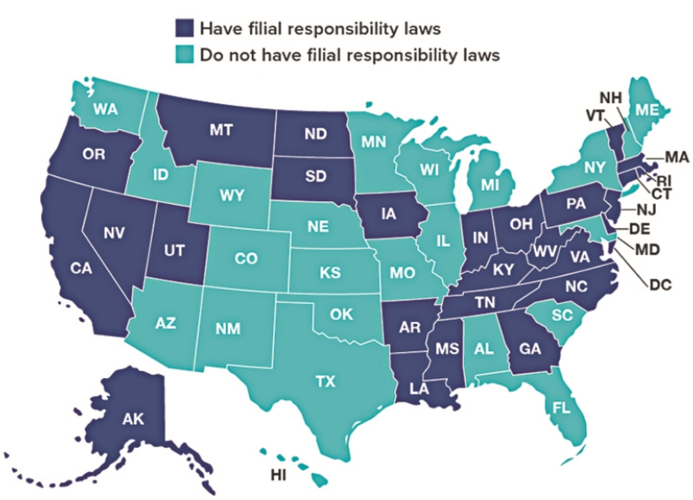
In 26 states (and Puerto Rico), laws generally hold children financially responsible for certain debts of their parents. These laws are referred to as filial responsibility laws (or filial support or filial piety laws).

The details of filial responsibility laws vary by state. Most require that a parent must be deemed unable to pay for the costs of basic care and support before a child may be held responsible. And most states consider the child's ability to pay before holding the child liable for the cost of a parent's health care.

Filial responsibility laws are generally not enforced. But one 2012 case out of Pennsylvania may provide an example of how these laws might be used. *Health Care & Retirement Corporation of America v. Pittas* addressed the question of whether a child can be held responsible for the health-related debts of a parent.

The court found an adult son responsible for $93,000 in nursing home costs incurred by his mother. The court also ruled that there was no duty to consider the parent's other possible financial resources for payment, which included her husband and two other adult children, or the fact that an application for Medicaid assistance was pending at the time of the claim against the child. The court found that the plaintiff had met its burden under the law by proving the child had the financial means to pay the outstanding bill.

States with Filial Responsibility Laws, 2019



As the Pennsylvania case illustrates, filial responsibility laws may come into play in situations when a parent incurs expenses for long-term care and lacks the financial means to pay them. This is not an issue when someone becomes eligible for Medicaid, because Medicaid pays for most long-term care services and does not require the recipient's children to contribute funds toward the parent's care; later, funds can be recovered through the Medicaid estate recovery process. In addition, federal law bars a nursing home from requiring a third-party guarantee of payment as a condition for either admission (or expedited admission) or continued stay of a patient.

What happens when a person admitted to a skilled nursing facility doesn't qualify for Medicaid but lacks the financial resources to pay the bill? For example, it's not uncommon for aging parents to gift assets to their children in order to qualify for Medicaid.

Under current rules, there is a five-year look-back period from the time the application for Medicaid is made. Gifts made during this look-back period may disqualify an applicant from receiving benefits for a certain period, which could be up to several months. In Connecticut, for example, nursing homes have the right to pursue claims against children of patients who made disqualifying transfers of assets (gifts) within two years of applying for Medicaid benefits.

Even though filial responsibility laws haven't been prevalent, soaring long-term care costs could continue to place a growing burden on Medicaid, pushing federal and/or state government budgets higher. More of the cost of health care could shift to patients and their families, giving nursing homes and other health-care providers more incentive to pursue claims against children for the unpaid costs of care provided to their parents.

In any case, filial responsibility laws provide yet another reason for families to plan for long-term care. Talk to a qualified attorney if you have concerns or need more information regarding your specific situation.

Three Things to Consider Before Your Next Trip

The health and economic crisis created by the coronavirus (COVID-19) pandemic will have a long-lasting impact on how we all will travel going forward. And though it may be difficult to think about planning a trip during these uncertain times, here are some things to consider if you do decide to travel.

1. Check your travel provider's cancellation policy. As a result of the coronavirus pandemic, many airlines and hotels have relaxed their cancellation policies by waiving traditional cancellation and change fees. The type of reimbursements will vary, depending on your travel provider, but may range from full refunds to vouchers/credit for future travel. It's important to contact your travel provider directly to find out their individual cancellation policies before booking.

2. Be aware of travel advisories. During the height of the coronavirus pandemic, global travel advisories were at an all-time high, and domestic travel advisories were issued for certain geographic areas within the United States. Your first step before planning any travel should be to check the travel advisories for your destination. Be sure to visit the U.S. Department of State website at state.gov, along with your state and local government, for up-to-date travel warnings.

3. Read the fine print. Before you purchase a trip cancellation/interruption insurance policy, read the fine print to determine what is specifically covered. Typically, it will reimburse you only if you cancel your travel plans before you leave or cut your trip short due to an "unforeseen event" such as illness or death of a family member. Most policies with cancellation and interruption coverage will exclude a "known event" such as COVID-19 once it's declared an epidemic or pandemic.

If you are concerned about having to cancel or cut short a trip due to the coronavirus pandemic, one option you may have is to purchase additional "cancel for any reason" (CFAR) coverage. This is usually an add-on benefit to certain traditional trip insurance policies and allows you to cancel your trip for any reason up to a certain date before your departure (typically 48 to 72 hours) and will reimburse a percentage of your trip cost.

CFAR coverage can cost quite a bit more than a basic trip cancellation/interruption policy and may have additional eligibility requirements. In addition, you usually have to purchase CFAR coverage soon after purchasing your original policy (typically within two to three weeks).

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