



CRISER | GOUGH | PARRISH

December 2006

# Criser, Gough, & Parrish

## The Advisor

“Working together for you.”

### A Question for You

Please let us know if you would like to continue receiving our newsletters.

If yes, would you like to receive them by mail?  
By email?

The newsletters are also available on our website.

### IRS Announces 2007 Standard Mileage Rates

Beginning January 1, 2007, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 48.5 cents per mile for business miles driven;
- 20 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service to a charitable organization.

(Source: IR-2006-168, 11/1/06)

Dear Clients and Friends,

Well, it's hard to believe that another year is just about over. I hope the year has been full of joy and prosperity for you and yours.

Our year has been exciting as we have joined two firms into one. The transition into one firm has been a relatively smooth one and we are pleased and excited coming into the upcoming tax season in the best position ever to provide you with unparalleled service and satisfaction.

Just a reminder, you have until December 31 to contribute your used clothing and household items which are in good condition to your favorite charity to get a tax deduction for 2006.

If your income or circumstances have changed significantly during 2006 you might consider calling our office for some year end tax planning to prevent any unpleasant surprises at tax time.

I hope to see you at our open house on December 14. Wishing you a happy holiday season!

*Laura*

### Happy Holidays

You are cordially invited to celebrate the holiday season with cocktails and hors d'oeuvres at our

### OPEN HOUSE

December 14, 2006

4:00 until 7:00 pm

We hope you will stop by and see us.

*(Casual attire)*

**Criser, Gough & Parrish, LLC**

9415 E. Harry, Ste. 602  
Wichita, KS 67207

Phone: (316) 685-1040

Fax: (316) 687-5590

Website: [www.crisergoughparrish.com](http://www.crisergoughparrish.com)

## Choosing a Long-Term Care Policy

Risk management is an important consideration when trying to achieve financial security. The potential need for long-term care (LTC) is a genuine risk. The prudent estate owner will examine long-term care insurance to see if it has a proper place in his or her overall situation. The decision to purchase LTC insurance generally must be made while one is still healthy; once a disabling condition appears it is too late to act.

### Common Elements in Long-Term Care Insurance Policies

**Amount of the benefit:** Most policies pay a fixed dollar amount for each day you are eligible for the benefit; e.g., \$160 per day. A survey of nursing homes in the local area can help determine the desired amount.

**Inflation protection:** Since costs inevitably increase, a policy without a provision for inflation may be outdated in a few years. Of course, an additional charge is incurred for this protection.

**Guaranteed renewability:** This important provision will prevent the insurance company from canceling your policy as long as you continue to pay the premium when it is due. However, the insurer may be able to raise rates on a class basis. Currently, long-term care policies sold in most states are guaranteed renewable.

**Waiver of premium:** Some policies will waive the future premiums after you have been in the nursing home for a specified number of days; e.g., 90 days.

**Prior hospitalization:** This policy provision requires one to be hospitalized (for the same condition) prior to entering the nursing home, or no benefits will be paid under the policy. Although prior hospitalization clauses have been outlawed in all states, some older policies still in force may contain this provision. Policies currently sold do not contain prior hospitalization clauses.

**Place of care:** Does the policy require that the nursing home be licensed or otherwise certified by the state to provide skilled or intermediate nursing care? Must the facility meet certain record keeping requirements?

**Plan of care:** A plan of care is part of the health care claims process. It is the result of an assessment prepared by the insured's physician, and a multi-disciplinary team, including practical nurses, social workers, and other health care professionals. The plan outlines the appropriate level of care needed to assist the insured in performing the activities of daily living.

**Level of care:** Three generally recognized levels of care, in an institutional setting:

- **Skilled care:** Daily nursing and rehabilitation care under the supervision of skilled medical personnel; e.g., registered nurses and based on a physician's orders.
- **Intermediate care:** The same as skilled care, except it requires only intermittent or occasional nursing and rehabilitative care.
- **Custodial care:** Help in one's daily activities including eating, getting up, bathing, dressing, use of toilet, etc. Persons performing the assistance do not need to be medically skilled, but the care is usually based on the physician's certification that the care is needed.

**Pre-existing conditions:** Depending on the state, a policy may limit coverage of pre-existing conditions to discourage persons who are already ill from purchasing the policy. Many policies will provide benefits if the pre-existing condition was overcome six months or more prior to applying for the policy. Also, some policies will not pay benefits if the pre-existing condition re-occurs within six months after the effective date of coverage.

(continued on page 3)

(continued from page 2)

**Deductible or waiting period:** Most LTC policies require you to “pay your own way” for a specified number of days (generally ranging between zero and 120 days) before the insurance company will begin to pay benefits. Of course, the shorter the waiting period, the higher the cost will be. This is usually referred to as an elimination period.

**Alzheimer’s disease:** Most policies now include coverage for organic brain disorders like Alzheimer’s disease.

**Home health care (home care):** Many long-term care policies can provide coverage in the insured’s home. It is most often offered as a rider (requiring an additional premium) to nursing facility coverage, and reimburses the cost of long-term care received at home.

**Rating the company:** Companies should be financially sound and have a reputation of treating policyholders fairly.

## Seek Professional Guidance

A perfect LTC policy does not exist. Many policy features must be compared and weighed. As a general rule, the more benefits included in a policy, the higher the premium will be. Professional guidance is extremely important in this complicated area.

(Source: AXA Advisors, GE23707, Rev 0/06)

Pursuant to federal regulations imposed on practitioners who render tax advice (“Circular 230”), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

## IRS Renews Email Alert

Following a recent increase in scam e-mails, the Internal Revenue Service reminds taxpayers to be on the lookout for bogus e-mails claiming to be from the tax agency.

These e-mails are designed to trick the recipients into disclosing personal and financial information that could be used to steal the recipients’ identity and financial assets.

The current scams claim to come from the IRS, tell recipients that they are due a federal tax refund, and direct them to a web site that appears to be a genuine IRS site. The bogus sites contain forms or interactive web pages similar to IRS forms or web pages but which have been modified to request detailed personal and financial information from the e-mail recipients. In addition, e-mail addresses ending with “.edu” — involving users in the education community — currently seem to be heavily targeted.

### **The IRS does not send out unsolicited e-mails or ask for detailed personal information via e-mail.**

Additionally, the IRS never asks people for the PIN numbers, passwords or similar secret access information for their credit card, bank or other financial accounts.

When the IRS learns of new schemes involving use of the IRS name or logo, it issues consumer alerts warning taxpayers about the schemes.

The IRS also has established an electronic mailbox for taxpayers to send information about suspicious e-mails they receive which claim to come from the IRS. Taxpayers should send the information to: [phishing@irs.gov](mailto:phishing@irs.gov).

Due to the volume the mailbox receives, the IRS cannot acknowledge receipt or reply to taxpayers who submit their bogus e-mails. The [phishing@irs.gov](mailto:phishing@irs.gov) mailbox is only for suspicious emails and not for general taxpayer contact or inquiries.

(Source: IR-2006-104, 7/706)

## Simple Steps Can Prevent Tax Scams as Private Debt Collection Begins

The Internal Revenue Service is beginning its private debt collection effort, where a small segment of taxpayers who owe back taxes will be contacted by private sector debt collectors. There are several key elements of this program that will alert taxpayers they are part of this program and help other taxpayers from being scammed by impersonators:

- **Taxpayer notification.** All taxpayers who will be part of the private debt collection effort will know they are in the program before they are contacted by a private collection agency. If you haven't previously heard that you're in the program, be wary of any bill collectors saying they are working on behalf of the IRS.
- **IRS letter.** All participants selected for the program will get a letter from the IRS, telling them they've been selected for the private debt collection program. The name of the company will be included in the letter.
- **Collection agency letter.** All participants will subsequently receive a second letter, this one from the collection agency, informing the taxpayer they will be contacted soon regarding back taxes.
- **Money collected.** All checks will still be made payable to the US Treasury—not to an individual or firm. The collection agency will provide the appropriate IRS mailing address for payments. The collection agencies will never ask for cash or checks written to individuals.
- **Contact the IRS.** If in doubt, check [irs.gov](http://irs.gov) or call the IRS at 800-829-1040 for more information.

In general, all taxpayers should keep in mind the IRS never asks people for the PIN numbers, passwords or similar secret access information for their credit card, bank or other financial accounts. If in doubt about someone claiming to be from the IRS or working on behalf of the IRS, call the agency's toll-free help line at 800-829-1040.

(Source: IR-2006-132, 8/23/06)

### Good News!

Beginning January 2007, Criser, Gough & Parrish LLC will be able to accept payments with debit cards or credit cards from all major credit card companies.

## Criser, Gough & Parrish, LLC

Penny Rader, Editor

9415 E. Harry, Ste. 602

Wichita, KS 67207

### Return Service Requested

*"Working together for you."*

Phone: 316-685-1040

Fax: 316-687-5590

Website: [www.crisergoughparrish.com](http://www.crisergoughparrish.com)