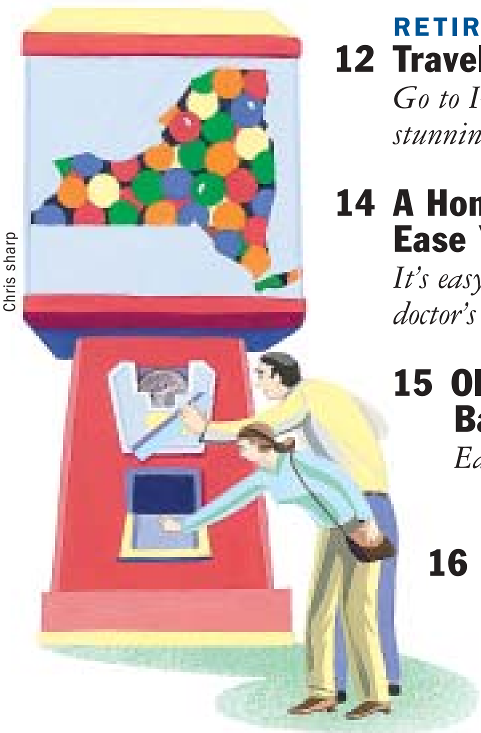
Kiplinger's

RETIREMENT REPORT

Your Guide to a Richer Retirement

VOLUME 11 NUMBER 12 DECEMBER 2004

IN THIS ISSUE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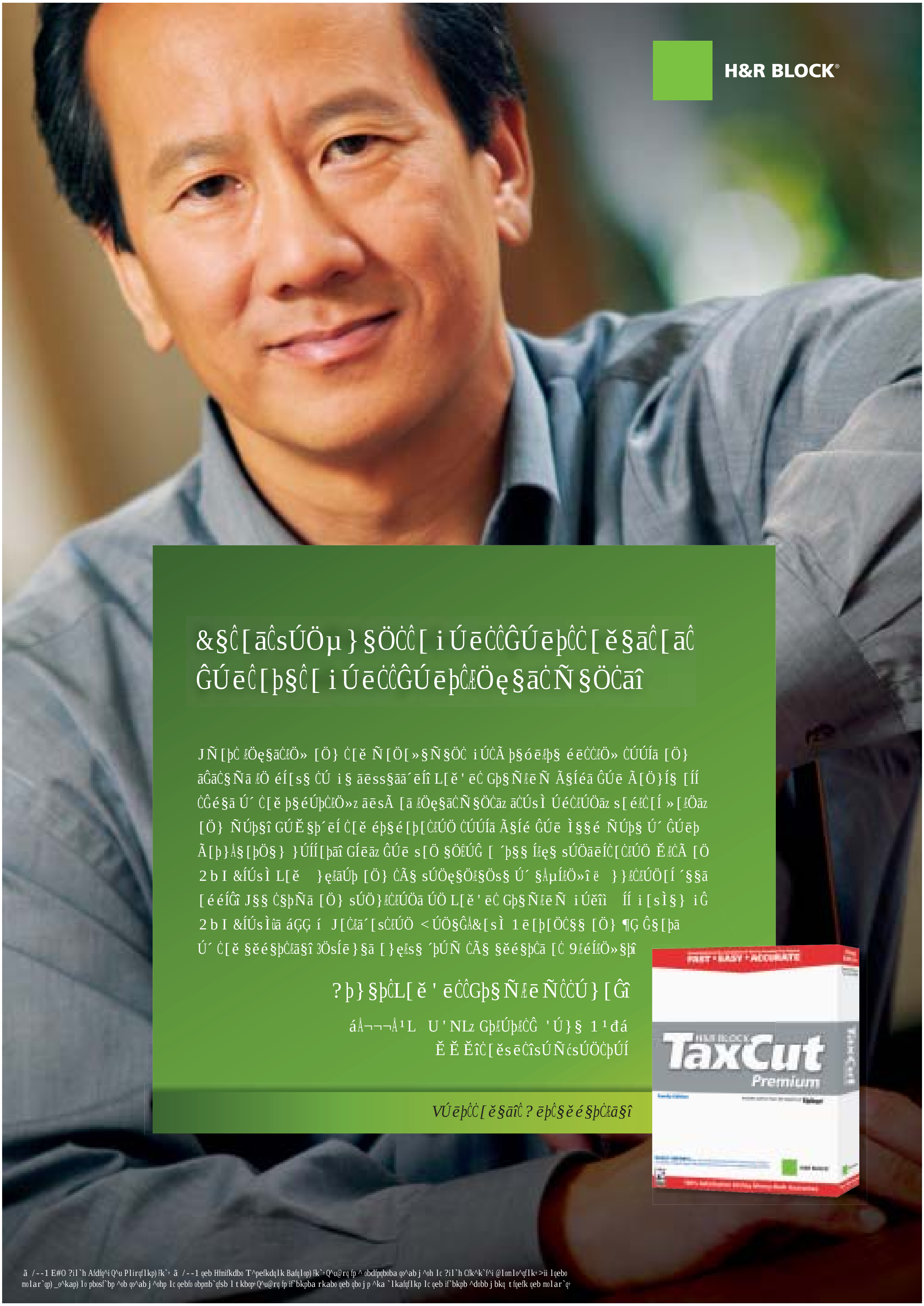
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RETIREMENT REPORT
Your Guide to a Richer Retirement DECEMBER 2004 VOLUME 11 NUMBER 12 $5.00

Win With Home-State Muni Bond Funds

You don't have to be in the highest income-tax bracket to come out ahead with bonds issued by your state.

INCOME-TAX RATES are at their lowest levels in decades. Nevertheless, you may profit by investing in bonds issued by municipalities in your own state. Such bonds are generally exempt from both federal and state income taxes, and are sold to help fund roads, schools, sewers and other state and local building projects. (Investing in muni bonds from another state will usually give you a federal tax exemption, but not a state one.)

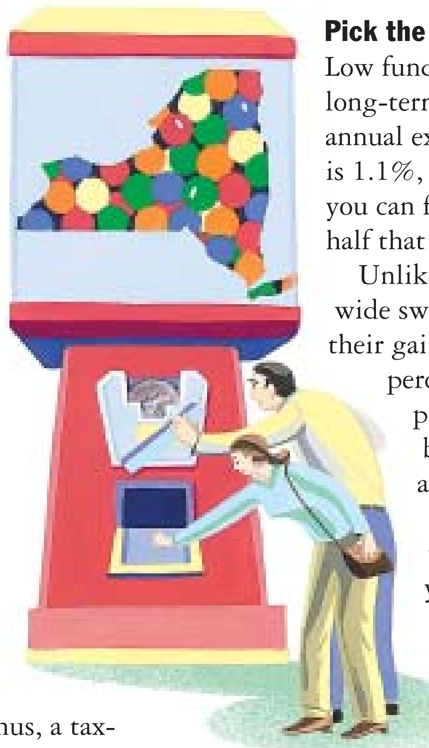
For most retirees, mutual funds are the most practical and cost-effective way of assembling a diversified portfolio of state-specific bonds.

Weigh the Tax Benefits First

Tax-exempt muni bonds typically yield less than taxable bonds of comparable quality, so your tax bracket determines whether you're better off investing in a taxable bond fund or a tax-exempt one. Say you're in the 25% federal income-tax bracket, file jointly with your spouse, and are considering investing in a muni fund yielding 3%. How much would a taxable bond fund have to yield to be a better investment?

Calculate the amount by dividing your tax-free yield by 1 minus your federal tax rate. In this case, your taxable equivalent yield is the 3% tax-free rate divided by 1 minus 0.25, or 0.75, which equals 4%. Thus, a taxable bond fund would have to yield more than 4% to be a better deal than the 3% muni fund.

The calculation gets more complicated when you incorporate your state's income taxes. Use the Bond Market Association's "Taxable Yield Comparison Calculator," at www.investinginbonds.com, to do the math for your own situation. For instance, for a New York muni fund yielding 3%, the taxable equivalent yield is 4.29% for a couple residing in New York whose combined federal and state tax bracket is 30%. The couple must find a taxable fund yielding more than 4.29% in order to generate a higher after-tax return than the returns offered by the New York muni fund.



Chris Sharp

Pick the Right Fund

Low fund expenses are the key to a superior long-term return in bond funds. The average annual expense ratio for state-specific funds is 1.1%, or $11 per $1,000 invested, but you can find many good funds that charge half that expense.

Unlike stock funds, which often have wide swings, bond funds typically tally their gains and losses in hundredths of a percentage point. So the expenses of a professional manager can eat up the benefits the manager achieves. In addition, if you pay a broker a 4% to 5% commission to purchase shares, that fee alone may cost you a full year's worth of fund income.

For low-cost, state-specific funds, look first to Vanguard. The firm's expenses run from $1.50 to $1.70 a year for every $1,000 you invest. (If you put $250,000 or more in any one of the company's funds, ask for Admiral shares, which cost 0.11%, or $1.10 annually per $1,000.) Vanguard can keep

Funds Target Certain States

These low-cost single-state muni bond funds are available to individual investors in states where income taxes are relatively high.

FUND	30-DAY YIELD	ANNUALIZED RETURN 3 YR.	5 YR.	EXPENSE RATIO	800 NUMBER	WEB SITE (WWW)
Dupree NC Tax-Free Income	2.6%	5.6%	6.0%	0.51%	866-0614	dupree-funds.com
Fidelity Spar MA Muni	3.2	5.7	6.7	0.47	343-3548	fidelity.com
Fidelity Spar MN Muni	3.0	5.4	6.2	0.49	343-3548	fidelity.com
T. Rowe Price GA Tax-Free	3.1	5.4	6.4	0.65	638-5660	troweprice.com
Vanguard CA IT Tax-Exempt	2.9	4.7	6.0	0.17	635-1511	vanguard.com
Vanguard NJ LT Tax-Exempt	3.4	5.7	6.8	0.17	635-1511	vanguard.com
Vanguard NY LT Tax-Exempt	3.2	6.0	7.2	0.17	635-1511	vanguard.com
Vanguard OH LT Tax-Exempt	3.3	6.1	7.2	0.15	635.1511	vanguard.com

SOURCE: Morningstar. Data is to September 30, 2004.

expenses low because the company is owned by its shareholders and doesn't try to turn a profit. Vanguard is a no-load fund family, so you don't pay a commission to buy shares.

The state-specific muni funds run by Fidelity and T. Rowe Price also cost less than most such funds. Fidelity's expenses range from 0.47% to 0.55%, and T. Rowe Price's, from 0.48% to 0.65%.

Once you've got a list of low-cost funds, look for experienced managers and steady performance. If you think you'll be hit with the alternative minimum tax (AMT), check the fund's prospectus to determine what percentage of its holdings generate interest that is subject to the AMT. Also, be aware that most single-state muni bond funds invest in intermediate- to long-term issues, so you'll experience wider swings in share prices than you would with shorter-term bond funds.

Not All States Have Funds

Fund companies tend to create state-specific funds for states that issue many municipal bonds, impose relatively high income taxes and have a significant population of high-income residents. As a result, there are good selections of well-managed, low-cost funds for only a dozen or so states, including California and New York.

If you live in a state with a low or nonexistent tax rate and a relatively small population, your only choice may be to invest in individual munis or to buy shares of a national muni-bond fund, such as Vanguard Intermediate Term Tax Exempt or Vanguard Long-Term Tax Exempt (both funds charge an ultra-low expense ratio of 0.17%).

In some cases, you may be able to find a good local mutual fund outfit. For example, residents of Alabama, Kentucky, Mississippi, North Carolina and Tennessee may want to take a look at Dupree Mutual Funds. The firm, based in Lexington, Ky., has been in business since 1979 and is still run by its founder, Thomas Dupree. The company sells no-load muni bond funds with low management expenses, ranging from 0.27% to 0.69%. The firm buys only top-rated munis and avoids owning bonds that are subject to the AMT.

In some states, there's little incentive to create muni bond funds. For example, Illinois and Iowa tax their residents on the interest earned by most muni bonds, including many bonds issued in-state. Alaska, Nevada, South Dakota, Texas, Washington and Wyoming have no income tax, so there's not much demand for state-specific muni bond funds.

Florida doesn't impose an income tax, but levies a small tax on so-called intangible assets, such as stocks

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and bonds. This tax amounts to $1 on every $1,000 in intangible assets owned at the end of December in excess of $500,000 for couples and $250,000 for singles. A married couple with $1 million in intangible assets will owe a tax of $500. Because Florida funds tend to yield less than national muni funds, what you give up in yield by buying shares of a Florida fund will likely wipe out what little you save by not paying the intangible tax. Despite that reality, there are more than a dozen Florida muni funds, and their assets surge every December as investors head for the tax shelter.

Depending on where you live, you could have even more choices. For example, in the District of Columbia and Indiana, interest from all munis is exempt from state income taxes. The District's top income-tax bracket is 9.3%; Indiana's is 3.4%. A national muni fund works well in both these places.

Fund-tracking firm Lipper offers the best free tool to help you find state-specific muni bond funds. You can search 40 different muni-bond fund categories at **www.lipperleaders.com**. Click on "United States," then "Find a Fund." Choose a muni category from your state under the "Classification" pull-down tab. To obtain the widest selection, select only your state of residence and leave all other options blank. If you can't find your state listed, select "Other States Muni."

FROM THE EDITOR

Four Things You Can Bank On

PRESIDENT BUSH has a better chance of getting his way on a number of issues that retirees care about than pre-election pundits anticipated. The President won the popular election, his party picked up crucial seats in the Senate, and he has a seasoned staff committed to advancing his ownership-society agenda. However, his ability to accomplish his goals will be moderated by huge budget deficits and developments in Iraq. Overall, the next year four years are likely to be a mixed bag for retirees, with the advantage going to the more affluent:

Low tax rates on investments will continue. Long-term gains on stocks and bonds will continue to be taxed at 15%, and the tax rate on most dividends will stay at 15%. The President wants to make these tax cuts permanent before they expire at the end of 2008. His chances of succeeding are good.

The federal estate tax will be capped or repealed. The tax is scheduled to be repealed in 2010 and reappear in 2011, but the President wants to accelerate repeal and make it permanent before his term ends. Look for outright repeal or for a compromise that allows the overwhelming majority of estates—for example, those of $5 million or less—to pass tax-free.

Assuming the estate tax is eliminated, wealthy investors may have to contend with a new tax twist: Appreciated stocks and other property left to your heirs would no longer get a step-up in basis to fair market value on the date of death. (Currently an heir selling stocks promptly after inheriting them typically owes little or no capital-gains tax, no matter what the original basis was.) Under present law, there would be a cap on the step-up your heir receives. When he or she sells the asset, the gain would be based on the difference between the selling price and what you originally paid, plus an allowed step-up. Heirs who aren't spouses would be able to add $1.3 million to their basis; surviving spouses, an additional $3 million (for a total of $4.3 million).

Social Security: sound and fury, but no change soon. Reform is high on the President's to-do list, but it will take more than a year to reach a consensus on how to pay for it. If younger workers ultimately are allowed to put a portion of their contributions into private accounts, the new program will take years to implement. If you're receiving Social Security now, your benefits are secure.

Medicare costs will rise. High-incomers will pay more for Part B medical services starting in 2007. In addition, the cost of the new Medicare drug benefit will escalate faster than anticipated. Beginning in 2006, all beneficiaries will be able to buy prescription-drug coverage, but the government doesn't have the authority to negotiate lower drug prices.

Priscilla Brandon

Editor

MANAGING YOUR FINANCES

Building a Solid LTC Insurance Policy

SELECTING A LONG-TERM-CARE insurance policy that's right for you takes effort. You must understand the industry's various packages, bone up on benefit descriptions, and weigh the costs—both current and future, since premiums could increase. Below, we explain the key elements of long-term-care insurance and why you might consider buying a policy sooner rather than later.

Getting the Details

The first thing you must do is learn the lingo. The details of the features you choose—such as how soon coverage begins and how long your coverage will last—will determine your premiums.

Elimination period. This is the length of time you must be under care before the benefits kick in. Most people choose a waiting period of 100 days or less. The longer the period, the lower the premium, but the more you have to pay out of pocket during your initial care.

Keep in mind that policies can differ in how they define the elimination period. For example, some may start counting down the days as soon as you are impaired, even if you're in a hospital and not receiving long-term-care services. Others start the waiting period when your qualified long-term-care services begin. Some policies count only the days on which you receive covered services rather than a continuous time span. If the days are counted this way and you're receiving home care three times a week, it could take you more than seven months to satisfy a 90-day elimination period, at a greater out-of-pocket cost than the continuous-day approach.

Although longer elimination periods mean cheaper premiums, sometimes a shorter period makes more sense. For example, if your care costs $100 a day and your policy has a 90-day elimination period, you'd spend $9,000 out of pocket before your coverage started. With a 60-day elimination period, you would spend only $6,000—a $3,000 savings. Compare such potential savings against the higher premium in deciding which elimination period to choose.

Maximum daily/monthly benefit. This is the maximum per-day amount that the insurer will reimburse you for qualified expenses. The higher the benefit amount, the higher the premium. However, there is no compelling reason for you to insure yourself for 100% of the daily cost. When considering a policy, estimate what future care costs will run in the area where you think you'll be living. Then subtract from this cost the amount you'll be able to pay out of pocket. You can find a list of average nursing-home and assisted-living costs at www.maturemarketinstitute.com. The average nursing-home private room costs $192 per day, but prices vary widely across the country, from a low of $99 a day in Shreveport, La., to a high of $331 in Stamford, Conn.

Maximum lifetime benefit. This is the total pool of insurance money available to pay for your care. If you buy a three-year policy paying a daily benefit of $150, your lifetime benefit would be $164,250 ($150 x 365 days x 3 years). If you spend only $75 a day, your coverage would last six years.

Inflation adjustment. Nursing home costs continue to rise, currently averaging $70,080 a year, up 6% from 2003. If prices continue to increase by 5% per year, the annual total cost will top $160,000 two decades from now. You can purchase a rider that increases your daily benefit annually to keep up with inflation. We recommend that you consider an automatic, compounding 5% annual inflation rider, especially if you're younger than 70. However, the rider is expensive and can double the cost of your premium. There are less-costly ways to adjust policy benefits for inflation, and these may be appropriate for older policyholders who are likely to trigger benefits within a few years.

Background Checks

Buy a policy from a financially strong company rated A or better by independent rating services such as A.M. Best and Standard & Poor's. Stick with insurers that have strict underwriting policies, such as Genworth Financial, John Hancock and MetLife, which also issues policies for federal government employees and retirees. This means they'll require detailed information about your health. Be wary of companies offering premiums that seem too good to be true. They may be more likely to raise your rates in the future. Check with your state's insurance department to review a company's history of rate increases. A company that hasn't raised rates on existing policyholders may be less likely to do so than a company with a history of rate increases, but keep in mind that there's no guarantee.

Once you're ready to shop around, Long-Term Care Quote (800-587-3279; **www.ltcq.net**) can help you compare policies. After you fill out an online questionnaire, the company will send you information on an assortment of policies, comparing details such as daily benefit amounts, elimination periods, rate increases on existing policyholders and company ratings. You can buy a policy through the site or look for an agent on your own. If you do that, pick one who specializes in long-term-care insurance and works with a number of companies. You may also be able to get recommendations from your financial advisers.

Make It Affordable

Once you've zeroed in on a policy, take the quoted premium and adjust it for reasonable increases. If you aren't sure that you can comfortably afford the adjusted amount, consider one or more of the following options:

■ Cutting the policy's maximum lifetime benefit. It's better to have enough daily/monthly coverage and a shorter benefit period than less coverage and a longer benefit period.

■ Extending the elimination period. But don't stretch it beyond 100 days because the amount you'll save usually isn't worth the risk.

■ Selecting a policy that covers only institutional care, such as in a nursing home or assisted-living facility. Dropping home-care coverage will usually reduce the premium.

■ Buying a policy for you and your spouse at the same time from one insurer. Companies are offering big spousal discounts, up to 40%, as they try to attract more couples. (Couples tend to care for one another, thereby delaying benefit claims.)

■ Reducing the policy's inflation protection. Don't tinker with this provision except as a last resort and only if you're over age 70.

Buy Sooner and Save

Listed below are sample annual premiums for single and married individuals from five top-rated insurers. Policies pay a maximum daily benefit of $150 for three years, have a 90- to 100-day elimination period, and include a 5% annual compound inflation rider. These rates are for someone in good health and, where appropriate, they include marital discounts.

AGE	SINGLE	MARRIED
JOHN HANCOCK (CUSTOM CARE II)		
55	$1,787	$1,251
60	2,183	1,528
65	2,749	1,924
GENWORTH (PRIVILEGED CHOICES)		
55	$2,250	$1,350
60	2,790	1,674
65	3,780	2,268
METLIFE (VIP-2002)		
55	$1,622	$1,298
60	2,060	1,648
65	2,855	2,284
PROVIDENT (REIMBURSEMENT)		
55	$1,311	$1,180
60	1,705	1,535
65	2,322	2,090
PRUDENTIAL (LTC BY DESIGN)		
55	$1,746	$1,397
60	2,083	1,666
65	2,846	2,277

SOURCE: Long-Term Care Quote

Why Not Buy Later?

You never know when you may need long-term care: While it sounds like coverage for the very elderly, nearly 45% of nursing-home residents are between the ages 64 and 85. Plus, the older you are when you buy, the more the policy will cost—assuming you're healthy enough to qualify for coverage. And many policies have a cut-off age, usually around 80, after which they won't sell you a policy. It's also possible that a policy you found attractive but decided to delay buying may not be available later. To make the insurance more affordable, insurance companies are focusing more on basic benefits in their new policies than on bells and whistles.

Don't assume that by paying premiums for fewer years you'd save money. Nancy Morith, a long-term-care insurance agent in Princeton, N.J., gives the example of a single woman who bought a policy in 1996 when she was 58 years old. Her annual premium is about $1,500. With a compounding inflation rider, her daily maximum benefit has now grown to $177 a day. It will increase to about $518 a day when she turns 80, and $844 by the time she turns 90. If she tried to buy a similar policy today at age 66, she'd pay $4,300 a year in premiums. Although she would have saved $15,000 by not paying premiums over the past eight years, that $15,000 would be absorbed by higher premiums within the next six years.

Rates and Yields

Recommended Dividend Stocks

We used the stock-finder tool at Kiplinger.com to screen for stocks with ten years of consecutive dividend increases and good projected earnings.

DIVIDEND STOCKS	YIELD	SHARE PRICE
AmSouth (ASO)	**3.8%**	$26
Genuine Parts (GPC)	**2.8**	43
General Electric (GE)	**2.3**	36
Johnson & Johnson (JNJ)	**1.9**	61

U.S. Treasury Yields

MATURITIES	YEAR AGO	3 MONTHS AGO	THIS MONTH	NEXT AUCTION*
Three-month bills	0.95%	1.50%	**2.08%**	weekly
Six-month bills	1.04	1.76	**2.29**	weekly
Two-year notes	1.93	2.51	**2.80**	Dec. 29
Five-year notes	3.29	3.47	**3.53**	Jan. 12

Treasury yields are for October 20, 2003; June 20, 2004; and October 20, 2004.
*Dates are tentative.
SOURCE: U.S. Federal Reserve

Selected Fixed-Income Mutual Funds

These short-term bond funds have good managers and low expenses. Yields shown are for the past 12 months. For details on funds, go to www.kiplinger.com/investing/funds.

SHORT-TERM BOND FUNDS	YIELD	PHONE NUMBER
Vanguard Sh-Tm Bond Idx (VBISX)	**2.9%**	800-635-1511
TIAA-CREF Sh-Tm Bond (TCSTX)	**2.8**	800-223-1200
Fidelity Sh-Tm Bond (FSHBX)	**2.4**	800-343-3548
Category Average	**3.0%**	

Money-Market Funds

Below are top-performing money-market funds with minimum initial investments of $10,000 or less. The 30-day compounded yields are to November 15, 2004.

TAXABLE	YIELD	PHONE NUMBER
Scudder Premium*	**1.60%**	800-621-1048
Transamerica*	**1.59**	800-892-7587
Bunker Hill*	**1.58**	800-572-9336
Category Average	**1.20%**	
TAX-FREE	**YIELD**	**PHONE NUMBER**
Alpine Municipal*	**1.60%**	888-785-5578
Vanguard	**1.60**	800-662-7447
Strong*	**1.49**	800-368-3863
Category Average	**1.07%**	

*Fund is waiving all or a portion of its expenses.
For updated rates, visit www.kiplinger.com/finances/yields.
SOURCE: *Money Fund Report*

Benchmarks

	YEAR AGO	3 MONTHS AGO	THIS MONTH
Inflation rate*	2.04%	2.99%	**3.19%**
Yield on S&P 500	1.69	1.86	**1.73**
One-year Treasury (CMT)**	1.34	2.02	**1.89**
Ten-year Treasury	4.30	4.28	**4.22**

*Year-to-year change in CPI as of July 2004 and October 2004.
**Constant Maturity Treasury yield.

MANAGING YOUR FINANCES

Your Questions Answered

Payouts on Fixed Annuities

Where can I find the best deal on an immediate fixed annuity?

Shop on the Internet. For example, WebAnnuities.com can give you payout quotes from several insurance companies based on your age, where you live and how much you're planning to buy. Also worth considering are financial service companies that sell directly to consumers and may offer better payouts. Fidelity (800-544-4702; www.fidelity.com), TIAA-CREF (800-842-2776; www.tiaa-cref.org) and Vanguard (800-462-2391; www.vanguard.com) each offer fixed annuities. Research any annuity before you buy, as the purchase is irrevocable. Review the issuer's financial strength, and stick with companies rated A+ or better by A.M. Best, or AA by Standard & Poor's.

SEP IRA Contributions

I have maxed out the deductible 401(k) contribution limits with my primary employer. I also have a consulting business that generates moderate side income. Can I set up a SEP IRA to make additional tax-deductible contributions from my consulting income?

Yes. There is nothing in the law to prevent you from maxing out a 401(k) and putting up to 20% of your net self-employment income from a side business into a SEP or a Keogh plan.

What IRAs Have That 401(k)s Don't

Should I roll over assets in my 401(k) to an IRA? Can I roll the balance over directly to a Roth IRA?

Generally, it's a good idea to transfer 401(k) assets to an IRA. IRAs have few limits on investment options, while qualified plans such as 401(k)s are usually limited to mutual funds and employer stock. An IRA also can allow a longer payout schedule for beneficiaries, whereas a qualified plan often will require an immediate distribution. However, if you're a doctor, lawyer or in another profession that leaves you open to malpractice lawsuits, it's usually best to leave your money in the 401(k) because it's protected from creditors. With

IRAs, creditor protection varies from state to state.

If you decide to do the rollover, ask your employer to transfer the 401(k) balance directly to the IRA. If you decide to take a payout with the intention of doing the rollover yourself, your employer will withhold 20% of the balance for the IRS.

When rolling over 401(k) assets, technically you have to transfer the balance into a traditional IRA first and then convert the account to a Roth. However, many IRA custodians will allow you to do all the paperwork at one time to speed up the process.

Social Security Spousal Benefits

My wife started collecting Social Security benefits at age 62, and I started when I turned 70. Can she collect half my benefit instead of collecting her own?

No. A spouse typically can receive a benefit based on his or her own work record, or half the benefit amount of a spouse, whichever is greater. But to determine the benefit value for your spouse, Social Security uses the benefit each of you would be entitled to at full retirement age. It does not count the increases you received by delaying benefits.

Let's say your benefits would have been $1,000 a month at age 65, but you decided to continue to work. When you finally elected benefits, your benefit was higher; plus you earned an extra 3% for every year past 65, bringing your total benefit to $1,500. But if your wife wanted to claim half your benefit, she would receive $500—half your full-retirement-age benefit—not $750.

Suppose your spouse's full benefit would have been $600 a month. But because she didn't wait until age 65 to begin collecting benefits, instead she receives $480. When Social Security compares your full-retirement-age benefit with hers, the system sees only that her own $600 is more than half your $1,000 (even though she is actually receiving $20 less than half).

When you die, however, your spouse can elect to receive your full benefit with the additional credits—the entire $1,500.

Changing Discount Drug Cards

I signed up for a Medicare Discount Drug Card that apparently only certain pharmacies accept. I have to drive a long distance to a pharmacy that does take it. Can I switch?

You have until December 31 to switch to another card, but make sure that the new card you select offers discounts for the prescription drugs that you use. For a list of other ways to buy discounted prescription drugs, visit **www.medicarerights.org/rxframeset.html**.

Rates and Yields

Certificates of Deposit

SIX MONTHS	YIELD	PHONE NUMBER
Corus Bank (Ill.)	**2.71%**	800-989-5101
Universal Savings Bank (Wis.)	**2.63**	800-438-6288
Ascencia Bank (Ky.)	**2.58**	877-369-2265
Nexity Bank (Ala.)	**2.55**	877-738-6391
Umbrella Bank (Ill.)	**2.55**	866-649-2852
National Average	**1.81%**	
ONE YEAR	**YIELD**	**PHONE NUMBER**
Corus Bank (Ill.)	**3.08%**	800-989-5101
Countrywide Bank (Va.)	**3.05**	800-479-4221
Imperial Capital Bank (Cal.)	**3.04**	800-455-4485
Providian National Bank (N.H.)	**3.01**	800-414-9692
Flower Bank (Ill.)	**2.98**	866-583-9340
National Average	**2.42%**	
TWO AND A HALF YEARS	**YIELD**	**PHONE NUMBER**
Countrywide Bank (Va.)	**3.56%**	800-479-4221
1st Source Bank (Ind.)	**3.55**	888-258-3150
Providian National Bank (N.H.)	**3.51**	800-414-9692
Intervest National Bank (N.Y.)	**3.50**	877-226-5462
Advanta Bank (Utah)	**3.50**	800-788-2632
National Average	**2.78%**	
FIVE YEARS	**YIELD**	**PHONE NUMBER**
Washington Savings Bank (Md.)	**4.58%**	800-843-7250
Providian National Bank (N.H.)	**4.47**	800-414-9692
Principal Bank (Iowa)	**4.41**	800-672-3343
Advanta Bank (Utah)	**4.41**	800-788-2632
Giantbank.com (Fla.)	**4.40**	877-446-4200
National Average	**3.87%**	

Yields include compounding and are to Nov. 15, 2004. For information on deposit insurance, go to the Web site of the Federal Deposit Insurance Corp. (www.fdic.gov). Deposits are federally insured up to the maximum allowed. For updated rates, visit www.kiplinger.com/finances/yields.

SOURCE:Bankrate.com

Fixed Annuities

SINGLE-PREMIUM IMMEDIATE-ANNUITY AVERAGE PAYOUT FACTORS	3 MONTHS AGO	THIS MONTH
Monthly payout for 70-year-old male	7.07	**6.95**
Monthly payout for 70-year-old female	6.63	**6.51**
Monthly payout for 75-year-old male	7.82	**7.69**
Monthly payout for 75-year-old female	7.44	**7.30**

Payout factors fluctuate with Treasury and bond yields. Annuity payouts are guaranteed to the annuitant for life and to his or her beneficiary for ten years. The averages shown above are derived from the top 40 single-premium immediate-annuity programs; the payout factors are per each $1,000 and are applicable to the life-and-ten-years-certain option.

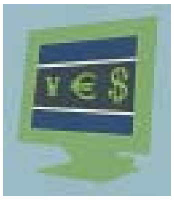
DEFERRED-ANNUITY INTEREST RATES	3 MONTHS AGO	THIS MONTH
Flexible-premium average rate*	3.47%	**3.26%**
Flexible-premium highest rate**	4.70	**4.70**
Single-premium average rate*	3.96	**3.60**
Single-premium highest rate**	5.00	**4.75**
Certificate annuity, 3-year highest rate	3.95	**3.60**
Certificate annuity, 5-year highest rate	4.15	**4.20**

*Average base interest rate of top 100 annuity programs.
**Highest base interest rate among nonbonus annuity programs.

SOURCE: *Comparative Annuity Reports* (916-487-7863; www.annuitycomparativedata.com). Annuity data are to August 1, 2004, and November 1, 2004.

Information to Act On

ECONOMY



■ **The dollar will continue to slide.** Big U.S. budget and trade deficits will continue to press the greenback lower versus the euro early next year. It's not likely we'll see a steep falloff, but if you're planning a trip abroad, consider buying your euros now.

■ **Good news for the job market.** Odds are that by next month the economy will have regained the 2.6 million jobs it's lost since January 2001. The outlook for 2005 is even better: monthly gains of 150,000 to 200,000 new jobs and an overall job gain of 2 million.

■ **Look for a gradual rise in interest rates.** By the end of 2005, we expect the 10-year Treasury to yield 5.5%, up about a full percentage point from current levels. On shorter maturities, the three-month Treasury bill should yield about 3% to 3.5%.

INVESTING

■ **Cash-rich firms can pay off.** Many companies that generate a lot of free cash flow reward shareholders with rising dividends. Two firms that fit this description are electronics retailer Best Buy (symbol BBY; recent price $61) and engineering firm MTS Systems (MTSC; $29).

■ **Own shares of Merck?** The blue-chip stock took a beating after the firm withdrew its pain-relief drug Vioxx. What to do? If you own Merck for the rich and solid dividend yield, hold your stock. If you own it for potential share appreciation, consider selling.

■ **New rates on savings bonds.** The interest rate for EE savings bonds issued from November 2004 through April 2005 will be 3.25%. The rate for I savings bonds issued in that same period will be 3.67%. For details, see www.treasurydirect.gov.

■ **Invest more with less risk.** The new edition of *Kiplinger's Safe Investing* helps you explore safer ways to invest in stocks, bonds and mutual funds. Cost is $5.95, plus $2 postage and handling for surface mail, or $4.50 for first-class mail. To order, call 888-547-5464 (ask for operator 35), or visit www.kiplinger.com/annuals/investing.html.

TAXES

■ **Looking for state tax forms?** Go to www.sisterstates.com. The site provides links to current and prior-year tax forms for all the states and territories.

■ **Remember the rules for charitable giving.** You get to deduct gifts to charity in the year that you mail the check or hand over the money, not the year you make a pledge.

■ **Collectibles get a higher capital-gains tax.** Profits on sales of art, antiques, gems, stamps, coins and bullion are taxed at a top rate of 28%, not the 15% for financial assets such as stocks and bonds.

ESTATE PLANNING

■ **Living wills are often ignored.** About two-thirds of doctors surveyed at three California hospitals said they wouldn't comply with end-of-life treatment preferences stated in the living wills of hypothetical patients, according to a report in a recent issue of *Archives of Internal Medicine*. The best way to ensure that your wishes are honored: Grant someone whom you trust a medical power of attorney to make decisions for you.

■ **Consider donating appreciated stocks to charity.** If you donate appreciated stock that you've owned for more than a year, you can deduct the full value of your donation and avoid income taxes on the appreciation. Selling the stock and donating the proceeds would trigger a tax bill.

BANKING

■ **More perks may be in the (credit) cards.** The Supreme Court's decision to allow banks to issue American Express and Discover cards, in addition to the Visa cards and MasterCards they already offer, will likely result in increased competition and better rewards programs.

■ **Bank regulators warn of e-mail deception.** The Federal Deposit Insurance Corp. warns consumers not to respond to fraudulent e-mails that appear to be from the agency. The e-mails display a Web link leading to a phony FDIC.gov site created by crooks, where consumers are asked for private account information. Never respond to any unsolicited request for personal information.

HEALTH

■ **When it's time to think about your parents.** The revised edition of *How to Care for Aging Parents* (Workman, $19), by Virginia Morris, is an excellent resource for those who will soon be responsible for the health and care of a parent. It includes information on legal tools you can use, and tips for finding care facilities. An appendix lists helpful organizations.

■ **Info on federal Health Savings Accounts.** Retired federal workers under age 65 who want to bone up on the HSA program can visit www.opm.gov/hsa. The government will launch the program in 2005.

■ **Home health-care rates hold steady.** The average hourly rate for home health aides stayed at $18 during 2004, according to MetLife's Mature Market Institute. Cities with the highest rates include Hartford, Conn. ($28), and Rochester, Minn. ($26). Cities with the lowest rates include Jackson, Miss. ($13), and Columbia, S.C. ($14). For a full list of rates by city, go to www.maturemarketinstitute.com and click on "MetLife Market Survey of Nursing Home and Home Care Costs 2004."

■ **Battling chronic pain.** The American Pain Foundation publishes a booklet called the *Pain Notebook* that you can use to track how you feel each day. The diary is designed to help you and your physician manage your pain more efficiently. You can download a free copy from www.painfoundation.org, or call 888-615-7246.

TRAVEL

■ **Perfect for the armchair traveler.** Want to whet your appetite for travel? Flip through *The Travel Book* (Lonely Planet, $40). The 448-page coffee-table book offers brief profiles of 230 countries, coupled with captivating color photos.

■ **Use or lose your miles?** If you hold miles on an ailing airline such as US Airways, play it safe by using your frequent-flier miles soon. If you can't squeeze in a trip now, convert your miles to a ticket for a later trip on a healthier partner airline.

■ **Bubbles in Bath.** The thermal springs that once soothed Roman conquerors in the city of Bath, England, will become part of a new spa scheduled to open next year. For opening dates and treatments, go to www.thermaebathspa.com.

MEDICARE

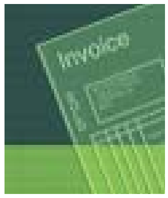
■ **Quicker Medicare appeals on the horizon.** Medicare is overhauling its appeals process so it responds faster to fee-for-service claims. Part of the revamping will include a 60-day decision deadline. The new system should be up and running by October 2005.

■ **Medicare loosens cancer-drug requirement.** It plans to pay for some drugs that are approved for one type of cancer but have been used in trials to treat other types. Previously, the agency reimbursed only for drugs specifically approved by the Food and Drug Administration for the cancer being treated.

SHOPPING

■ **Attention, last-minute shoppers.** This month, shopping.yahoo.com plans to showcase online retailers that guarantee delivery on or before December 24.

■ **Let someone else dicker.** If you hate haggling with a dealer over the price of a new car, consider a service that does it for you. For a fee, CarBargains, the buying service of the nonprofit Consumers' Checkbook organization, will solicit bids from at least five dealers in your area based on the make, model and style of the car you want. For more details call 800-475-7283, or visit www.kiplinger.com/links/carbargains.



■ **Curious about digital television?** The Federal Communications Commission maintains a Web site that describes digital TV's advanced features and includes a shopper's guide. Log on at www.dtv.gov.

VETERANS AFFAIRS

■ **Get a new identification card.** The Department of Veterans Affairs recently introduced a new ID card for veterans. The card has your photo on the front and identifies you as enrolled in the VA's health system. A coded magnetic strip contains other identifying data. Request yours at your local VA medical center.

TAX TIP

Rule Is Eased for Roths

Beginning in 2005, it will be a little easier for affluent retirees to convert traditional IRAs to Roths. From January on, the IRS will no longer count required minimum distributions from IRAs as income for purposes of the conversion. This year, IRA owners whose adjusted gross income (AGI) plus mandatory IRA withdrawals exceeds $100,000 can't convert; the $100,000 income limit applies whether you file a single or joint tax return. Take the example of a 75-year-old man who has $500,000 in his IRA at the end of 2003 and whose AGI this year is $95,000. His required IRA distribution is $21,834. Because the IRA payout added to his AGI puts him over the $100,000 limit, he can't convert any part of his IRA. But in 2005, assuming his AGI is $100,000 or less, he'll be eligible to convert all or part of his traditional IRA to a Roth.

ESTATE PLANNING

Time to Update Your Power of Attorney

TALK ABOUT unintended consequences: Medical privacy provisions included in an eight-year-old law passed to give individuals access to private health insurance have overshadowed the original law and taken on a life of their own. No sooner did the provisions take effect last year, than lawyers, doctors, patients and caregivers began reporting problems.

The law in question is the 1996 Health Insurance Portability and Accountability Act (HIPAA). Basically, HIPAA's privacy rules say that providers may talk to you and no one else about your diagnosis and care unless you tell them otherwise. The concern is that these same rules may prevent your agent from making medical and caregiving decisions on your behalf unless your power of attorney includes specific language.

When HIPAA Hits Home

The law is intended to protect your medical records and other health information, and it gives you a legal right to obtain and control access to such information. Health-care providers who break the law can be slapped with severe financial or even criminal penalties.

Unfortunately, the rules are complex, and many hospitals, doctors, nurses and other medical workers and institutions aren't yet sure how to comply with them. As a result, many providers are erring on the side of excessive caution. In some cases, health-care providers have refused to release even basic medical information to agents and caregivers who are making medical decisions for patients. Recently, the U.S. Government Accountability Office (GAO) reported that families, friends and other representatives have faced "unnecessary difficulty" in helping patients. GAO found instances in which close family members couldn't confirm that a relative had been admitted to a hospital or learn his or her status. Thomas Murphy, an estate lawyer in Phoenix, Ariz., says that some health-care providers have refused to honor health-care-power-of-attorney documents dated prior to April 2003, the month the rules took effect.

Help Your Agent Help You

If you have a medical power of attorney, consult with your lawyer about amending it. Consider adding language to shield your agent from all or most of the privacy provisions of HIPAA. Murphy is advising his clients to insert the specific language given below:

> I intend for my agent to be treated as I would be with respect to my rights regarding the use and disclosure of my individually identifiable health information or other medical records. This release authority applies to any information governed by the Health Insurance Portability and Accountability Act of 1996 (aka HIPAA), 42 USC 1320d and 45 CFR 160-164.
>
> I authorize:
>
> ■ any physician, health-care professional, dentist, health plan, hospital, clinic, laboratory, pharmacy or other covered health care provider, any insurance company and the Medical Information Bureau Inc. or other health-care clearinghouse that has provided treatment or services to me or that has paid for or is seeking payment from me for such services
>
> ■ to give, disclose and release to my agent, without restriction, all of my individually identifiable health information and medical records regarding any past, present or future medical or mental health condition, to include all information relating to the diagnosis and treatment of HIV/AIDS, sexually transmitted diseases, mental illness and drug or alcohol abuse. The authority given my agent shall supersede any prior agreement that I may have made with my health care providers to restrict access to or disclosure of my individually identifiable health information. The authority given my agent has no expiration date and shall expire only if I revoke the authority in writing and deliver it to my health-care provider.

For details on the HIPAA rules, see the government's summary at **www.hhs.gov/ocr/privacysummary.pdf**. For more on personal representatives, go to **www.hhs.gov/ocr/hipaa/guidelines/personalrepresentatives.pdf**.

ESTATE PLANNING

Make Sure Your Estate ‘Team’ Knows the Plan

YOU’VE carefully crafted your estate plan, making sure everything’s in order—your will, powers of attorney and beneficiary designations. You even diligently updated estate-related documents when there were major changes in your life. But have you given your estate plan a “test drive” to make sure it runs smoothly in accordance with your wishes? By doing so you may find some glitches in the plan that need to be resolved.

Gathering the Family

One way to assess your plan is to get your family members to take it for a spin. Call them together for a role-playing meeting. The scenario: You’ve just passed away. What will they do? You can leave the room or attend the meeting in silence, but let your family go through the drill without interference from you. They’ll need to hash out how to proceed, find your estate instructions, make final arrangements and carry out your expressed wishes. If there are any holes in your plan, the exercise will reveal them.

During the meeting, family members should be able to describe their duties and address key issues, such as who should contact your legal and financial advisers and who should make funeral arrangements.

Two crucial details everyone must know: your designated executor and your will’s location. Your executor must understand how to get copies of the death certificate and make sure the will is filed with the county clerk on time. He or she must notify various people and institutions, including retirement account beneficiaries.

If it’s not practical to gather your family for a drill, try to meet individually with your executor (and an alternate executor if you’ve named one) and anyone else who will have important jobs to do after your death. Run through the estate plan with each of them, making sure they clearly understand how you want your plans to be carried out.

Fixing the Problems

After your family has finished the test drive, all the participants should discuss how it went, focusing on areas where problems arose. Families often hit a snag right off the bat: They can’t find important papers, such as wills, trust documents and deeds. To make it easy, create a master file to store these documents. Put the file in an accessible location and tell your executor and family members where it is. Other items to include in your master file: your Social Security number; names and contact information for key advisers and heirs; and a list of assets, such as IRAs, mutual funds, real estate and insurance, complete with account numbers and contact information. Some people use a bank safe-deposit box to store important documents, but if you do so, ensure that your executor will have legal access to the box when you die. Make sure to check with your bank to find out how to authorize this access.

Also leave a note in the master file reminding the executor that he or she will need at least a dozen copies of your death certificate. Banks, IRA custodians and other financial institutions require a copy before processing an account.

Clearing Up a Few Things

After the test drive, you may find that your will isn’t easy to understand, or that it needs additional language to prevent a family feud. For example, if your children are to inherit significantly different sums of money from you and you haven’t discussed the reasons, the division may cause friction. If you prefer not to discuss it with them, attach a letter to your will explaining the division, to diffuse any hard feelings.

Spouses are entitled to certain survivor benefits from Social Security, annuities and other programs, so make sure your spouse knows how to obtain them. If you were in the military, you may be entitled to some coverage of funeral expenses. (Your spouse would need a copy of your discharge papers, so include those in your master file.)

A special note about documents pertaining to financial and health-care powers of attorney: Keep the originals at home so your agent can easily find them. Store only copies in a safe-deposit box.

Photographs: Tourism Ireland

RETIREMENT LIVING

Ireland: When Prosperity Meets Antiquity

After a decade-long economic boom, Ireland is bursting with pride, summed up in its new nickname: the Celtic Tiger. Return visitors will notice changes—the country's improved roadways, upscale accommodations and gourmet restaurants. But rustic Ireland is still close at hand as are its medieval castles, breathtaking cliffwalks and golf courses in 40 shades of green.

April and May are great months for visiting Ireland because prices are moderate. The weather during those months is more than decent: The sun shows up for work about 25 days each month on average, and temperatures hover in the high 50s Fahrenheit (Though 'tis true that visitors should pack umbrellas and sweaters). A driving itinerary from Dublin in the east to Galway in the west offers a scenic sampler of the island's glories. You may be surprised how fast you adapt to driving on the left side of the road.

Dubliners

Dublin's downtown is compact, and a walking tour is an ideal way to get your bearings. We like the Historical Walking Tour led by graduate students in history from Trinity College. The two-hour trek can help you note attractions that deserve a return visit. The tour stops at Dublin Castle, which is the famous former seat of the country's government, and Christ Church Cathedral, with its magnificent floor tiles and stained glass. Cost of the tour is about $12; remember that Ireland's currency is the euro. Reserve tickets online by visiting **www.historicalinsights.ie**.

One of Ireland's signature beverages is tea, and the best place to savor it is the Lord Mayor's Lounge in the Shelbourne Hotel, overlooking a large public garden square at 27 St. Stephen's Green. Afternoon, or "high," tea, is a feast that includes tarts, muffins, sandwiches and, of course, tea. Guests nosh while sunk in the lounge's elegant couches and armchairs. Afternoon tea is served between 3 p.m. and 5:30 p.m. daily. The cost runs about $34 a person after taxes and fees, and you don't need to be a hotel guest. To learn more, go to **www.shelbourne.ie/lordmayor**.

Ancient and Medieval Ireland

Ireland showcases many ruins dating from the Stone Age on. One well-restored site is Newgrange, a stone-capped burial mound built 5,000 years ago and still intact today. The earthen mound was built to allow a sliver of light to illuminate the tomb's center during the days around the winter solstice on December 22. Tours of the interior, which are not for the claustrophobic, cost $3 a person. The site is a 45-minute drive north from Dublin. Learn more by visiting **www.heritageireland.ie**. Click on the link on the left-hand side of the page that says "A-Z," then click on "Bru na Boinne Visitor Centre (Newgrange and Knowth)."

The drive from either Dublin or Newgrange to Galway is about 135 miles, but it can take up to five hours if weather or traffic is foul. Find maps and traffic updates at the Web site of the Automobile Association of Ireland, **www.aaroadwatch.ie**, by clicking on the "route planning" link on the left-hand side on the home page.

Consider stopping midway to spend an hour at Clonmacnoise. This early monastic settlement on the Shannon River was one of Ireland's great centers of learning and culture during the Middle Ages. Admire

Built around 3200 BC, Newgrange covers an acre and is surrounded by richly decorated kerbstones.

the round towers and high crosses sculpted with biblical scenes, left by the kings and monks who thrived here between 548 and 1552. Parts of the Clonmacnoise are in ruins, but the exhibits there vividly describe the settlement and its medieval importance. Admission is about $6.50 a person. Learn more by visiting www.heritageireland.ie. Click on the link that says "A–Z" on the left-hand side of the page, and then click on "Clonmacnoise."

Into the West

Galway is Ireland's San Francisco, meaning that it's a photogenic bay town with candy-colored houses. Galway also serves as a base for tourists planning to make the 47-mile car trip to the Cliffs of Moher, which may be Ireland's most stunning natural wonder. The cliffs tower some 700 feet over the Atlantic Ocean, with majestic views of crashing waves and seagulls. There is no admission fee.

Golfers rejoice in Ireland because the weather and landscape provide some of the most scenic courses and links imaginable. One of those courses is the Galway Golf Club, which showcases an 18-hole, par-70 course in the seaside town of Blackrock, about two miles from Galway. Greens fees are about $35 on weekdays and $37 on weekends. To search for other courses in Ireland, visit the Irish Tourist Board's golf resource page, at www.golf.ireland.ie.

Getting There

This fall, Aer Lingus lowered its economy-class fares by 20% to 30% year-round. Expect economy-class round-trip tickets to cost between $298 and $368 between March and April, departing from Boston, Chicago, New York and Los Angeles, if purchased at least three weeks in advance. Air reservations can be made at www.aerlingus.ie, or call 800-474-7424. (There's a $15 fee for booking reservations by phone.)

One advantage of flying Aer Lingus is that the airline doesn't charge higher fares for itineraries in which you arrive in Dublin and leave from Shannon, or vice versa. The benefit: You will maximize your vacation time by not having to backtrack to Dublin. Galway is 56 miles from the Shannon airport and about 140 miles from Dublin's airport.

Rental car prices are about the same as in the United States, but Ireland's gas and diesel fuel prices are quite high. Expect to pay about $4 a gallon for gasoline. When renting a car, consider booking through rental-car consolidator Auto Europe (888-223-5555; www.autoeurope.com). We found that this agency offers the best rental-car rates from major companies, such as Avis and Europcar. We recently paid $48 a day for a four-door economy-class car, including taxes, fees and collision insurance. The agency quotes rates in dollars instead of euros and answers customer phone calls around the clock.

Whichever rental agency you use, buy collision insurance because it's unlikely your U.S. auto-insurance policy will cover you overseas. Also note that Visa and American Express cards don't provide insurance coverage to cars rented in Ireland. MasterCard offers collision and theft coverage to some of its cardholders; call 800-622-7747 to find out if you're covered.

For lodging, consider staying at bed and breakfasts, many of which are run by Irish locals out of their own homes and are cozier and less expensive than hotels. Keep your eye out for houses that hang a green shamrock sign, which means that the establishment is regulated and inspected. Reservations are not usually needed during the spring, and drop-in guests are welcome. The Irish Tourist Board lists establishments at its Web site, www.ireland.ie. At the top of the home page, click on "Find accommodation."

RETIREMENT LIVING

A Home Defibrillator Brings Peace of Mind

HOME IS WHERE THE HEART IS. It's also where about 80% of cardiac arrests happen. Hoping to reduce deaths from sudden cardiac arrest (SCA), the Food and Drug Administration in September approved the first automated external defibrillator (AED) available without a prescription. It's called the HeartStart Home Defibrillator, made by Philips Medical Systems (866-333-4246; **www.heartstarthome.com**). You can buy one directly from the company, or online at Amazon.com or Drugstore.com. It's not yet available in drugstores. The list price is $1,995, but the two online stores recently advertised the device for $1,495.

When someone suffers SCA, the heart beats abnormally, and only an electric shock can restore it to normal beating. An AED delivers the necessary shock via conductive adhesive pads pasted to the patient's chest. The pads connect to a box containing a battery and a computer. Philips officials say their home defibrillator is designed specifically for a user who has never laid eyes on such a device before and has no training in cardiopulmonary resuscitation (CPR). The defibrillator gives voice instructions that guide the user through every step of the process. The pads that deliver the shock sense the user's actions, and the device adjusts the pace of the voice instructions accordingly. When the pads are put on the patient, the defibrillator's computer analyzes the person's heart rhythm and determines whether to administer a shock. When not in use, the system monitors itself and emits a loud chirp if any component needs to be replaced or repaired. The defibrillator comes with a video and a detailed manual.

SCA is not the same as a heart attack, though both stop the heart from effective pumping. A heart attack occurs when blood flow to the heart is blocked. By contrast, SCA occurs when the heart's electrical system suddenly short-circuits. About 95% of people who suffer SCA away from the hospital die, a total of about 340,000 deaths in the U.S. each year. Patients who receive defibrillation within five minutes of collapsing have a better chance of survival. In fact, three-quarters of patients who are treated promptly survive. For each minute that passes after SCA, the chance for survival decreases by 10% if the heart is not defibrillated.

Although the devices are already common in public places such as malls and airports, home AEDs are a new area. Some experts say there is insufficient data to fully recommend their use at home. The American Heart Association says it doesn't have enough data yet to recommend for or against AED use in the home and is waiting for completion of a multiyear government-sponsored study that is presently under way.

Talk to your doctor before you buy a home defibrillator. If you do purchase one, it's a good idea to take a training course in CPR and AEDs. The American Heart Association can recommend a program in your area; call 800-242-8721, or visit **www.americanheart.org/cpr**. On the Web site, you can locate a training course by zip code or state.

While the Philips defibrillator is the only one approved so far for home use without a prescription, competition is likely to heat up from other companies in the same field. For example, with a doctor's prescription, you can buy Medtronic's Lifepak CR Plus AED for your home for $2,995 (866-454-3372; **www.medtroniclifepak.com**).

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Total number of copies (net press run)	72,596	72,398
Paid circulation, mail subscriptions	69,675	69,048
Free distribution by mail (Samples, complimentary and other free)	353	375
Total distribution (paid and free)	70,028	69,423
Office use, leftovers, spoils	2,568	2,975
Total printed	72,596	72,398
Percent paid and/or requested circulation	99.5%	99.5%

I certify that all information furnished on this form is true and complete.
Knight A. Kiplinger, *President and Publisher,* Kiplinger Washington Editors, Inc.

RETIREMENT LIVING

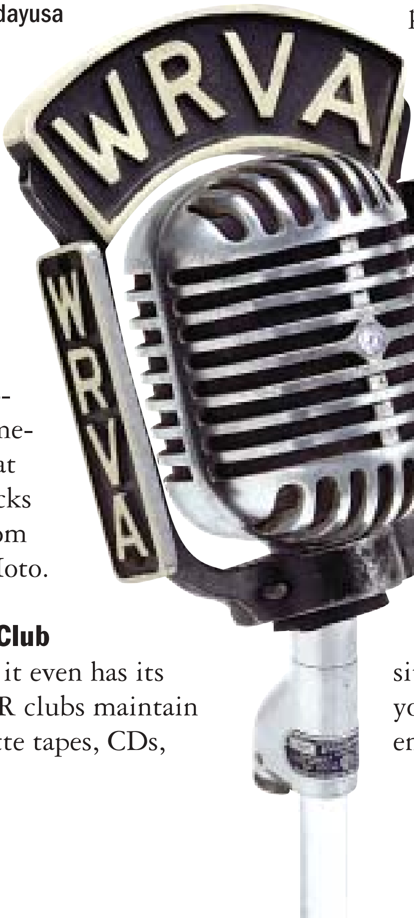
Get Your Fix of Old-Time Radio

OLD-TIME RADIO IS BACK, and it's big. You can thrill to the adventures of The Shadow, Sherlock Holmes and the Green Hornet. You can laugh at the humor of Jack Benny, or George Burns and Gracie Allen. You can swing with Benny Goodman and Artie Shaw. The easiest way to listen to old shows is via the Internet, but if you don't have a computer, you can easily rent or borrow recordings from the days when radio was king. You just have to know where to find them.

Surf the Web

Over the Internet, you can hear your favorite old radio dramas, comedies and big band music. Broadcasts are free and available 24 hours a day. If your computer isn't already configured to pick up Web broadcasts, any of the Web sites below will direct you to free, easy-to-download audio-player software. Most computers come with speakers; if your computer doesn't have any, a good speaker set is inexpensive and simple to plug in. A one-stop radio source is **Live365** (www.live365.com), a gateway to thousands of Internet radio stations. At the Web site, you can sample big band tunes at 22 stations, and 51 stations broadcast vintage radio shows.

Another free programming source: **Yesterday USA Radio Networks** (www.yesterdayusa.com), an all-volunteer operation that broadcasts shows from the 1920s to 1950s around the clock. There's also the radio Web site of the **American Council of the Blind** (www.acbradio.org), which airs classic detective, science fiction and superhero programming, as well as comedies and mysteries. And at **RadioLovers.com**, a few clicks will bring you anyone from Arthur Godfrey to Mr. Moto.



Join an Old-Time Radio Club

Old-time radio is so big, it even has its own acronym: OTR. OTR clubs maintain lending libraries of cassette tapes, CDs, open reels, books, scripts and other materials. A handful of major clubs are scattered across the country, and yearly dues rarely exceed the cost of a couple of movie tickets. (And don't overlook your public library as a tape resource.)

One of the largest lending libraries is run by the **Society to Preserve and Encourage Radio Drama, Variety and Comedy** in Los Angeles, with 20,000 archived programs on cassette tapes alone. For a membership application, call 877-251-5771, or visit www.sperdvac.org.

Another big organization is the **Radio Enthusiasts of Puget Sound** (www.homestead.com/repsonline). You can get a membership form online, or by sending a self-ad-dressed stamped envelope to the group at P.O. Box 15201, Seattle, WA 98115. On the East Coast is the **Metropolitan Washington Old Time Radio Club** (www.mwotrc.com). You can join by mailing $20 ($15 if you're over 60 or live more than 50 miles from Washington D.C.) to the group at P.O. Box 2533, Fairfax, VA 22031. The group's Web site links to other good OTR sites.

Both these clubs hold regular meetings and have tape lending libraries. But it's not necessary to live near a club, as rental fees cover mailing the tape to you. For instance, you can rent up to ten tapes for one month from the Puget Sound group for $6. (You'll have to pay postage to mail the tapes back.) Typically, members order the radio shows by mail after browsing through their club's catalog.

Build Your Own Collection

The number of retail sources for OTR has increased dramatically. Stores that carry books on tape often also sell OTR shows. You may even be able to find tapes at your local Wal-Mart. One good resource is **Radio Spirits** (www.radiospirits.com), which sells through its catalogs and at more than 7,000 retail outlets. If you want to introduce your grandkids to the Lone Ranger, for instance, you can buy ten broadcasts from Radio Spirits for $29.95.

Got questions? The **Internet OTR Digest** (www.oldradio.net) is a great online gathering place for those who like to reminisce about old broadcasts, and a good source of helpful information. The site moderates a daily online discussion group, where you'll find messages from former radio actors, radio engineers, researchers and fans.

GUEST COLUMNIST

When Advance Directives Don't Say Enough

With the document in hand, a son struggles to decide what his father would have wanted.

IN THE LAST FIVE YEARS of my dad's life, he and I became as close as a father and son could hope to be. Our conversations were boundless, and I learned beyond a shadow of a doubt how he felt about almost everything—including sensitive end-of-life questions. I was granted his health-care power of attorney, and we eventually created an advance directive, also called a living will. But it wasn't until we faced some horrible realities that I came to understand how inadequate a living will can be.

In 1997, at the age of 77, my father, Walter, was stricken with a rare spinal disorder that made him paraplegic. He and I viewed this enormous new challenge as another job to tackle as a team, just as we had worked on so many home-improvement projects in the past. Together, we decided that Dad, a widower, should move from upstate New York to an assisted-living facility near my home in suburban Washington, D.C. As a freelance writer, I have a flexible schedule, so I could make time to help him with his needs. Helping him eventually became a full-time job. If it hadn't been for my wife, Pat, who works as an editor, I would not have been able to devote so much time to his care.

When it came to end-of-life matters, Dad's attitude was like many people's. He was willing to go through all sorts of invasive medical procedures if there was a good chance he could recover. But if there really wasn't much hope, he wanted to avoid being kept alive by tubes protruding from his body. We discussed the issue in so many different ways that I was certain I knew what he wanted if he ever was unable to speak for himself. Then he suffered a stroke.

In the midst of this new crisis, I was glad he had made a living will. This document not only answered legal questions, but in the event we hit a hard and difficult issue, I expected to rely on it to help me fulfill Dad's wishes. The living will was based on a form used at a Washington hospital where Dad had been a patient. It addressed what should be done if he was ever in either a "terminal condition" or a "persistent vegetative state." In essence, Dad would allow artificial feeding and other temporary measures to get him through acute crises. But he also insisted that if he wasn't likely to recover, he didn't want to use those steps to prolong his life.

Joe Mianowany

Like many people, Dad was willing to go through all sorts of invasive medical procedures if there was a good chance of recovery.

Then reality struck.

Due to runaway medical conditions, including a serious infection and kidney troubles, Dad lapsed into a coma. He entered an Arlington, Va., hospital, where I met with a doctor to review which life-saving measures they should pursue if necessary. I assumed the living will would answer any questions.

But this doctor was used to using a form whose wording was different and more specific than the advance directive Dad had signed in the other facility. This new form asked for my consent on a host of individual medical procedures, some of which I had never even heard of.

So, as we stood in the hospital hallway, I asked the doctor to explain each procedure in detail. I then used my best judgment, based on my years of conversations with Dad, to give a yea or nay on each one. When we were done, I felt comfortable I had struck the balance Dad would want, but I couldn't be totally sure.

The experience taught me it can be nearly impossible to write advance instructions to address every circumstance. What is appropriate treatment in one situation might be foolhardy in another. At the same time, I realized how critical it is that a power of attorney be held by someone who knows you well. Unless your agent has that intimate knowledge, you can't confidently expect him or her to make the right decisions.

That point was driven home over the next few weeks. If I had followed the letter of Dad's original advance directive, he might have gotten into the very situation he always feared: being kept alive by tubes. That story will come in next month's column.

Joe Mianowany, a writer in Arlington, Va., is working on a book about his last five years with his father.

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