

ADVICE & COUNSELSM

N E W S L E T T E R

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Because We Care...*

Finances for Women (and Men)

March is National Women's History Month. One little known fact is that 90% of all women will be solely responsible for their own or their family's finances at some point in their lives, according to the National Center for Women & Retirement Research. Yet women generally earn and save less than men.



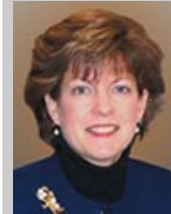
Why is that? Many women work in lower paying or part-time jobs, or leave the workforce, sometimes for decades, to raise a family or take care of parents. Lower earnings mean less in the way of retirement and Social Security benefits.

Women also live longer than men. At age 65 the average woman can expect to live to about age 85 and the average man to age 82. As a result, women's financial needs during retirement are greater.

Although times are changing, one spouse often is the sole manager of financial matters, such as paying bills and handling investment matters. If that spouse becomes incapacitated or dies, the surviving spouse may be overwhelmed by the burden of taking on the finances. Too often the survivor turns to inexperienced family members, or even worse, to con artists who prey on trusting souls.

As we all know, we can no longer count on Uncle Sam to provide for us years from now. So here are some suggestions to help build a financially confident future:

- Plan. Financial security requires creating an investment plan and sticking to it. Write down financial goals for the next 5, 10, and 15 years and continually refer to them.
 - Establish and stick to a budget. Build in some "mad money" that you can spend without feeling guilty. Never raid your savings for non-essential expenses.
 - Set aside a separate fund for emergency expenses.
 - Avoid going into (or adding to) debt. Don't be tempted by low interest rates or high credit limits. Unless you pay off the balance each month, credit cards are a threat to your financial well-being.
 - Save. Put aside money in tax-
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A Simple Gift of Time and Love

I received a heart-warming note from one of our Lifeline customers that talks about her way of coping with the death of family members. It touched me in a way that I wanted to pass along her inspiration, in hopes that it may 'touch' you as well.

She writes that her husband of 40 years died a few years ago and his birthday fell on Thanksgiving that year. She decided to volunteer her time at a local mission on Thanksgiving and Christmas. She found it so rewarding that she has been volunteering weekly at the mission ever since.

It was her daughter who motivated her to volunteer. Her daughter died just a few months ago, and it's because of this time she spends giving of herself that she again draws her strength.

What a wonderful message of the gifts of time and love!

Please take comfort knowing that we're here to support you through this transition time. ING's Financial Lifeline team is prepared to provide you with information about your account or to help you with your other financial decisions.

Best Regards, Nancy Clifford
Vice President ING's Financial Lifeline

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Noteworthy Tax Changes

If you put off things until the last minute, there's good news from the Internal Revenue Service: All taxpayers have two extra days to prepare their tax forms or request an extension and pay what is owed. Since April 15 falls on a Saturday, all filers have until Monday, April 17 to file their returns or request an extension.

If you choose to file an extension, instead of the automatic four months the IRS granted in past years, you can put off the inevitable for six months. Simply send in Form 4868 along with an estimate of the tax payment you owe. You will have until October 16 to file the return, although you may be subject to interest and penalties if you paid too little on April 17.

Other changes to note when preparing your taxes this year:

The standard deductions (for those who don't itemize) and exemptions for dependents have increased for the 2005 tax year. The exact amounts are on the 1040 form.

The contribution limit for Individual Retirement Accounts has increased from \$3,000 to \$4,000 for 2005. Those over age 50 in 2005 can contribute an extra \$500, for a total of \$4,500, into the tax-deferred accounts.

If you donated a vehicle to charity, you must attach to your tax return a receipt from the charitable organization stating the amount that the charity earned on the sale of the vehicle. You can no longer deduct

the fair market value.

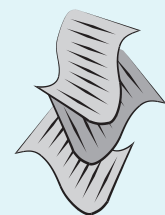
While on the topic of vehicles – if you use yours for business, the mileage deduction increased to 40.5 cents per mile for travel between January 1 – August 31, 2005. If your travel was for medical purposes or because of a move within that time frame, you can deduct 15 cents per mile. Responding to skyrocketing gas prices, the IRS is allowing an additional mileage deduction for travel after September 1st – 48.5 cents per mile for business travel and 22 cents per mile for medical and moving related mileage expense.

Taxpayers affected by Hurricanes Katrina, Rita and Wilma are entitled to certain tax breaks, such as a larger deduction for unreimbursed personal property loss. The IRS has a full explanation of the new laws in Publication 4492. If you opened up your home to others displaced by one of the hurricanes, you may be entitled to claim up to four extra exemptions, even if the others are related to you.



Better Safe Than Sorry

Floods and fires regularly destroy important documents and family photos. Instead of keeping them in shoeboxes or scattered around the house, consider storing documents such as passports, birth certificates, and deeds in a fireproof, water-resistant document box or home safe available at most office supply stores. Be careful about keeping large sums of cash at home, as it doesn't earn interest and is still susceptible to theft.



It also makes sense to safely store your photo negatives or back up DVDs with digital photos. Maintain a second set at a friend's home.

Give a trusted friend or family member a spare key to the document box or the combination for the safe so that in the event of illness or death, someone will know where to find your papers.

Beware of Tax Refund Scams

The IRS is warning consumers that e-mails notifying taxpayers about a potential tax refund are fraudulent. These e-mails direct potential victims to a web site, disguised to resemble the official *IRS.gov* site, asking for personal information which is then used to steal identities and assets.

The IRS does not ask for personal information via unsolicited e-mail.

Nor does anyone have to complete a special online form to obtain a refund.



If you receive an unsolicited e-mail purporting to be from the IRS, do not reply to the e-mail, click on any links, or open attachments. If you have questions about a potential refund, call the IRS at 1-800-829-1040.

Powers of Attorney

Q If I give someone my Power of Attorney, can I still act for myself?

A Yes. A power of attorney authorizes the person you designate to act on your behalf. It does NOT divest you of the ability to act for yourself.

Powers of attorney can avoid the need for a court-appointed “conservator” should you become incapacitated. Traditional powers of attorney become immediately operative. If that makes you uncomfortable, you can use a “springing power of attorney” which takes effect only in the event of your incapacity. Make sure that your power of attorney is “durable” so it remains in force if you ever become unable to act for yourself.

A “general power of attorney” grants extremely broad authority. A “limited power of attorney” empowers the person to act only on specific types of matters listed in the document, such as selling a house.

You can revoke a power of attorney at any time, orally or in writing, so long as you are mentally competent. Although once revoked, the person named as the attorney-in-fact loses all legal right to act, be sure to get the original document and all copies back to prevent possible misuse.

All powers of attorney become void on the death of the person granting the power; at that point your state’s probate law comes into play.



Justice Sandra Day O'Connor: A Powerful Attorney Sets Precedents

Agree with her rulings or not, few dispute the role Sandra Day O'Connor has played in our nation’s history. In 1981, she was unanimously confirmed by the Senate to be the first woman to serve on the Supreme Court of the United States. After nearly a quarter century of distinguished service, she retired on January 31, 2006.

Justice O'Connor grew up on her family’s cattle ranch in Arizona, the nearest neighbor 25 miles away. Until she was 7, there was no electricity or running water. She roped steers, branded calves, and played with a pet bobcat. Her parents wanted her to have a good education so they sent her to live with her grandmother in Texas to attend school. She credits her grandmother with giving her the determination to succeed.

The precocious Sandra Day excelled in school and attended Stanford to study economics in order to help run the family ranch. Her interest in law was sparked when the ranch became involved in a legal dispute. She continued on to Stanford Law School, and graduated third in her class. She married classmate John Jay O’Conner. Another friend was class valedictorian William Rehnquist, who later was Chief Justice of the Supreme Court until his death in September 2005.

Despite her impeccable creden-

tials, when the future Supreme Court Justice graduated in 1952 most law firms would not hire women except as legal secretaries, so she became a lawyer at a governmental agency. After taking several years off from work to raise the couple’s 3 children, Justice O’Connor served in all three branches of Arizona’s state government as Assistant Attorney General, a member of the State Senate, and an Appeals Court judge.

Her former coworkers praise her integrity, diligence and compassion. Justice O’Connor treated her law clerks as part of her family, and included many of them in her exercise regimen each morning.

She values independent thinking that can be supported and defended. Despite a staggering amount of work as a Supreme Court Justice, she always made time to enjoy the outdoors, often breaking for a picnic or walk around Washington’s many monuments.

Lessons: 1) As Justice O’Connor was making enduring decisions impacting the law of our land, she took time to live her life to the fullest. 2) Do not let convention get in the way; she climbed to the top of a legal profession that did not accept women as equals. 3) Justice O’Connor is an inspiration to those who wish to reenter the workforce, having stayed home until her youngest started school. 4) Her success broke down barriers; women now make up 45% of the nation’s law school classes.

Literary Vacations



Some people like to spend their vacations reading a book; others prefer to discuss what they read. If you are an avid reader or just want to try something different, consider a literary vacation.

Many groups and companies offer week-long seminars, often affiliated with colleges, in which participants discuss different works of literature.

After the seminars each day, attendees relax together and go on walking tours or take in a show or movie. Colby College in Maine, St. Michael's College in Toronto (www.classicalpursuits.com), and St. John's College's Santa Fe campus (see www.stjohnscollege.edu) are among the many program sites. In addition, Elderhostel's offerings include courses on topics from British novelists to an in-depth discourse on the bestseller, *The Da Vinci Code*. See ElderHostel.org.

Sources used in this issue include: *IRS*, *Bankrate.com*, *FreeAdvice.com*, *Elder Hostel*, *Ohio Department of Aging*, *Investor's Business Daily*, *Wall Street Journal*, *Motley Fool*, *Garden State Woman*, *Newsweek*, *Fortune*, *Money*.

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Shape Up as You Clean Up!

The calendar says spring. That means summer isn't too far off. If you haven't succeeded at your resolution to lose a few extra pounds, now is the time to get started.

Maybe going to the gym isn't your thing or you just can't spare the time. There is a way to exercise without wasting precious time or leaving the house: do household chores. Yes, if you do housework such as mopping or vacuuming with enough gusto, you can burn significant calories. If you add arm or ankle weights, you'll burn even more calories.

To get the most exercise out of your household chores:

▣ Make sure you are physically

capable of doing the activity; check with your doctor if you have health conditions that may preclude exercise.

- ▣ Switch arms when mopping or dusting to get the most benefit. Contract abdominal muscles as you work.
- ▣ Move around the house.

Make beds upstairs, then do laundry downstairs, then clean a bathroom upstairs.

- ▣ Listen to music to get you motivated. Adding dance moves to your chores will amuse the family and burn more calories.
- ▣ Use a timer to get yourself to do the chore quickly.
- ▣ When you're finished cleaning the house, remember that outside chores such as weeding, raking and mowing the lawn burn calories, too.



Finances for Women and Men

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deferred IRAs and employee savings plans, if eligible. Even if you are not working, it is important to save.

▣ Monitor. Balance your checkbook monthly, review savings and investment statements quarterly, and your credit reports annually.

▣ Educate yourself. Learn about investment options. Attend adult education classes, read financial periodicals and ask questions.

▣ Understand risk. All stocks, even "blue chips," have some element of risk. Mutual funds are only as safe as their underlying investments.

Even long-term government bonds lose market value when interest rates rise.

▣ Take your time. Don't make investment or other significant decisions when you are grieving.

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Your life insurance proceeds are in a safe place, earning interest, allowing you time to assess your

situation and needs. Don't let someone, even a so-called financial expert, rush you into making decisions before you are ready.

▣ Act gradually. A common mistake is to invest everything all at once. Instead, move gradually, making incremental investments to avoid timing errors.