# BUSINESS AND FINANCE

## One Man's Opinion

By Gerry Chong

When the infamous Ponzi scheme felon Bernie Madoff was asked where he got his inspiration for a criminal program that cost investors $60 billion, he replied, "the Federal Government."

Of course, Madoff is right. The government's propensity of taking money from the youngest and newest taxpayers to give to those in the system the longest is the basic principle of a Ponzi scheme. For the perpetrator, as long as the money flowing in is equal to the money going out, the scheme can continue; but if the money going out is greater, then the scheme will collapse. In government, to paraphrase Margaret Thatcher, socialism always fails when it runs out of other people's money.

With the U.S. population aging, the funding requirement for medical care will grow enormously. As a matter of fact, in 2010, the first of the Baby Boomers will turn 65, drawing on Social Security and Medicare, and creating a cash flow drain for years to come. To meet this drain, Democrats have proposed creating the greatest Ponzi scheme the world has ever known. It will encompass one-sixth of the entire U. S. economy, and is called healthcare reform.

Here's how the numbers work: It is absolutely critical that the 46 million uninsured, including illegals, be forced to buy insurance because the system needs new revenue pumped in to balance the cash that will be going out to Seniors, who are the biggest users of healthcare. Without new subscribers, the government will have to fund the shortage, driving up the national debt. Think of the forced new insurance then, as a source of government cash flow.

To reduce the cash going out, Democrats have proposed the Public Option, which will reduce cash requirements by rationing care, and forcing insurance companies to reduce premiums to government proscribed levels or face their own destruction through government issued insurance.

Republicans have asked for transparency by posting the proposed healthcare bill on the Internet 72 hours before any vote, but Democrats have refused. I guess we just have to trust Congress to do the right thing, sight unseen. If and when we we're told what's in the bill, we should look for these provisions:

Taxes and fees will start immediately, but coverage will not start for three years. Therefore, subscribers will pay for ten years to receive seven years of coverage. That's the method Congress used to lower the deficit. So what should the taxpayer do for healthcare during the first three years? Pay twice: once for private insurance and once again for the Ponzi scheme.

To generate premium income, illegals will be included in the program, contrary to President Obama's denial, which prompted a Congressman's "You Lie" outburst.

The bill will include billions of dollars in benefits to the United Auto Workers to cover their underfunded pension program. No one knows what this has to do with healthcare, but heck, unions need love too, and we are, after all, a generous people.

What's the lesson here? Private Ponzi schemes are illegal and can earn the perpetrator a lifetime prison term, but a public Ponzi scheme could be adopted by Congress. •

## Chose Employee Benefits Carefully

By Jason Alderman

Many employers will soon be offering open enrollment for next year's employee benefit coverage. Wading through all that paperwork is a sure-fire cure for insomnia, but considering how much is at stake, you may want to pour another cup of coffee and dive in.

Here's why: New coverage options. Employers occasionally change benefit plan options as a way to control costs or eliminate underused or unpopular plans. In addition, they sometimes retain the same insurance providers but change certain levels of coverage within the plan; for example, increasing deductibles or co-payments or changing eligibility requirements.

In addition, insurance providers themselves may alter terms of coverage: For example, medical plans sometimes change which medications they will cover and at what co-payment levels. And individual doctors, clinics and hospitals sometimes drop out of plan provider networks. Thus, it is wise to review plan changes carefully and check with your providers before automatically signing up for the same plan as last year.

Prepare for possible economic hardships. In these uncertain times, it pays to know all your options in advance. For example, if you or your spouse suspects you might be vulnerable to a layoff, find out the relative costs to join the spouse's employer's medical plan or buy COBRA coverage (COBRA is a federal law that allows many people to retain health coverage under their former employer's plan for a certain amount of time at their own expense.)

Maximize tax advantages. If your employer provides a retirement savings plan and dependent care and health care flexible spending accounts (FSAs) and you're not participating, you could be missing out on thousands of dollars in annual tax savings.

Similarly, FSAs let you set-aside money on a pretax basis to pay for eligible out-of-pocket medical and dependent care expenses, thereby lowering your taxable income.

Family status changes. If you marry, divorce, or gain or lose dependents, it could impact the type – and cost – of coverage options best for you. A few examples:

Compare maternity and pediatric benefits offered by the various medical plan options. Slightly lower monthly premiums might not be worth more restrictive coverage.If you participate in a dependent care FSA, carefully estimate how many weeks' worth of childcare (or day care for eligible adult dependents) you'll need next year to maximize your tax advantage.Similarly, take family status changes into account when estimating eligible expenses for your health care FSA. Remember, over-the-counter medications count.Recalibrate life insurance coverage if more dependents now rely on your pay. Also review beneficiary designation forms to ensure your life insurance, 401(k) or other plan benefits will go to the appropriate people if you should die unexpectedly.A little homework now can save you a lot of money later on. •