

# Life in LAMORINDA

## Lynn's Top Five

### HEALTH SAVINGS ACCOUNTS (HSA) – FIVE THINGS YOU NEED TO KNOW

By Lynn Ballou, CFP, EA

Health Savings Accounts have been getting a lot of press lately. Originally they were passed into existence by Federal Legislation as part of the Medicare Prescription Drug Act of 2003. However, due to new broader eligibility laws passed last year, these nifty accounts are now available more widely than ever before. I spoke

with my colleague, Linda La Honta, a CPA with Moore and Baker in Walnut Creek, to get her take on the deductibility features regarding this newest idea in the planning tool box. With her assistance, here are five things you need to know to help determine if you should think seriously about adding an HSA to your portfolio.

#### 1) WHAT IS A HEALTH SAVINGS ACCOUNT (HSA) ?

Basically an HSA is a tax deductible retirement account, but one that can only be tapped into to pay for "qualified" medical expenses. As a result of this use, they are being referred to in the press frequently as the "MEDICAL IRA."

#### 2) WHO CAN GET ONE?

Any taxpayer who is enrolled in a "HIGH DEDUCTIBLE" medical insurance plan through the end of the year, and for at least 12 months, can fund an HSA. (However, please note, that the taxpayer cannot be enrolled in Medicare.) So, what is a high deductible medical plan? One that has a deductible of at least \$1100 per plan member, or \$2200 for family coverage.

#### 3) HOW MUCH CAN SOMEONE PUT IN?

You can put in \$2900 for yourself, or \$5800 for your family. And if you are 55 or older, you qualify for an additional \$900 contribution for both self and family coverage under the "catch-up" provision. As Linda pointed out to me, what's particularly great about these plans is "your contributions are 100% tax deductible regardless of your income level. And there is no phase out to this deduction."

#### 4) NO MORE USE IT OR LOSE IT!

The other very attractive feature which sets it apart from the pre-tax medical plans you might be using at work, according to Linda, is that "HSA's are not a use it or lose it type of plan. A person may contribute the annual maximum amount to their account and save these contributions for future medical costs allowing for tax-free growth." However, as she also points out, to avoid taxation, the benefits must be used at some point for qualified medical costs.

#### 5) FOR 2008 – IRA MONEY CAN BE USED TO FUND AN HSA.

You can now make a one-time election to transfer IRA assets into an HSA. It must be done as a trustee to trustee transfer with pre-tax assets. Although this won't give you a tax deduction, if you are over-funded in your IRA, or you simply want to be able to tap into these funds before you turn 59 ½, this might be a helpful tool for you to consider.

There is, of course, a lot more to say about these plans, and nuances to consider. So be sure to contact your tax or financial planning advisor for more detailed information and to decide if they are a good vehicle for you. Hopefully this has given you a leg up in your decision making process. Wishing you a good tax season and, yes, many "happy returns!"

Lynn Ballou is a Certified Financial Planner™ (CFP®) and co-owner of Ballou Plum Financial Advisors, LLC, a Registered Investment Advisory (RIA) firm in Lafayette. Lynn is also a Registered Principal and Branch Manager with Linsco/Private Ledger (LPL). As such, she is required by securities regulations to add the following information to this column: The opinions voiced in this material are for general information only and not intended to provide specific advice or recommendation for any individual. Securities offered through Linsco/Private Ledger, member NASD/SIPC.

## Working with Words:

### Advice to Teens on Careers in Writing ... continued from page 11

A recent U.S. News & World Report article listed editor and ghostwriter as two of 35 "Best Jobs for 2008." People with these jobs not only need to write well, and quickly, but must have the grace to accept criticism and move forward.

Creating some distance between you and your work is an important component to any job involving writing. "Don't take personally what people say about your dialogue or imagery," Inclan said. "You don't have to believe all that they say, but you need to stay a little detached."

If you do choose to pursue a career in writing, Inclan says there can be great emotional and psychological rewards, but it does not come without hard work.

"There are about five ge-

niuses on the planet who can write a first draft and have it be perfect. I don't know who these geniuses are, but they exist," she said. "They irritate me beyond belief because I am not one of them. Most of us slog along until we finally learn, finally get it. If you are like me, you have some work to do!"

Entry deadline for Youth Ink is March 1, and the deadline for the Young Writer's Contest is April 1. Youth Ink entry forms are available at Orinda Intermediate School, the Orinda Public Library, St. Perpetua School, Orinda Academy and Bentley School administrative offices and English departments. For information about the Young Writers Contest, visit, <http://mtdiablrowriters.org/youngWriters.html>.

## A Stranger in a Strange Land

By Doug Tarter

Have you ever walked into a restaurant for the first time, one that you'd been eyeing for months, and in crossing the threshold past the point of polite return you immediately realize that you're way out of your element? It doesn't make any difference that prior to making your decision you had perused the menu that hangs in the window, or that you had surveyed your friends for an informed opinion, (though, unfortunately, none of them had tried the fare either). That you had even touched the door handle on two separate occasions then thought better at the last moment, opting for the familiar Chinese lunch special at China Moon, counts for very little, be-

cause eventually, in a fit of bravado, you take the leap and are stuck living with the consequences. I recently became a "stay at home" dad, and every day I wonder if I should have just gone to McDonald's instead.

Please don't get me wrong. I was miserable at my old job. I love my kids and value the opportunity to watch them grow up first hand. I enjoy the relative flexibility, the alone time, walking the reservoir on a crisp fall morning, and getting to watch all my favorite Disney flicks again and again and again and again...It's just that sometimes I think my operating system, Microsoft Male 1966, and the domestic spouse software I'm sup-

posed to be running, Sun Systems TaxiTeacherChefCleanerDoctor-AndSupermultitasker program are non-compatible. I mean I have trouble deciphering the menu at Chow for God's sake, how in the world am I supposed to implement something so infinitely complex?

In the coming weeks I'd like to share with you some of the experiences I've had since making the trade from desk jockey to darn socky. It's been two years now, and I've had a chance to observe the many and varied ways Lamorindans make it through the experi-

ence, from Cold Stone Creamery in good times to the Roundup in trying times. I realize that there are quite a few of the breed in our neck of the woods, so please feel free to chip-in with your own experiences/observations. Or, if you happen to be a veteran Domestic Technical Commander, (at-home parent) of either gender please feel free to impart any nuggets of wisdom you wish to bestow. Until then, I'll see you at the Trader Joes' checkout counter.

Reach Doug Tarter at [d1111t@astound.net](mailto:d1111t@astound.net).

## PAIN MANAGEMENT

### in the DOG and CAT

By Mona Miller, DVM



Mona Miller and her yellow Lab Kenna

Photo provided

The recognition of suitable pain management in veterinary medicine has evolved a great deal in the past 20 years. In preparing this article, I reviewed some of my veterinary school textbooks and found information that I would now consider outdated! Medications now considered dangerous because of side effects and no mention of alternative modalities such as acupuncture or chiropractic medicine are just a couple of examples.

Pain can be difficult to recognize in our pet animals. Some dogs and cats can tolerate a large amount of pain without obvious expression. I commonly hear from clients that their old arthritic dog doesn't cry at all. For this dog, pain may manifest as less activity, general crankiness, decreased appetite or panting. One definition of pain that appeals to me is an "unpleasant sensory and emotional experience associated with actual or potential tissue damage or described in terms of such damage."

There are different types of pain (heat/cold, chemical release such as histamine or inflammation, mechanical trauma) and as such, there are different and complementary methods to treat pain. Many studies have shown that treating pain allows for quicker healing. Two important concepts in effective pain management are "pre-emptive analgesia" (anticipating and treating pain before it occurs, as in surgery) and using medications from different drug classes simultaneously.

The most common types of pain medication are local anesthesia (often used in dentistry or small skin biopsies), narcotics (opioids) that act on spinal cord and brain receptors, non-steroidal anti-inflammatory drugs (NSAIDs) that block tissue production of harmful inflammatory chemicals, corticosteroids that act similarly to NSAIDs (but often have more side effects), and alternative/complementary methods. This latter category includes "nutraceutical" products such as glucosamine joint supplements, essential fatty acids (the omega 3 and 6 oils), anti-oxidants, chiropractic and acupuncture modalities.

NSAIDs deserve a bit more attention here, since their use is

fairly popular in veterinary medicine. First, not all human drugs are safe to use for dogs and cats – most notably, ibuprofen and Tylenol can cause significant liver and kidney disease, even be fatal to our furry friends. It is important to check with your veterinarian before using any of these drugs! Also, even approved veterinary drugs may cause gastrointestinal problems in dogs and cats. If your pet is taking one and develops signs of nausea, not eating, vomiting or diarrhea, it is best to check with your vet right away. Most veterinarians recommend regular blood work checks (every 6-12 months) for pets who use these drugs chronically.

Dr. Mona S. Miller lives in Lafayette with her 3 year old son and her yellow Labrador Retriever. She has worked at Four Seasons Animal Hospital in Lafayette since moving here in 2001. She attended Cal as an undergrad, and received her DVM from U.C. Davis. She can be reached at Four Seasons, 938-7700, or by email to [MonaSDVM@aol.com](mailto:MonaSDVM@aol.com).

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