

LEGAL UPDATE

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MEDICARE PARTS A & B: THE BASICS

By A. Tereasa Rerko, Esq. and Margo Russell, Paralegal

Medicare insurance coverage is provided to individuals who are 65 or older or who have been receiving Social Security Disability insurance payments for 24 months. Medicare has several Parts; this article will talk about Parts A and B.











Medicare Part A provides payment for medical care when you are an inpatient in a hospital. Everyone entitled to Medicare insurance receives Part A coverage; it is not optional. There is no premium charged for this insurance; however, there may be a deductible for services that are not covered by Medicare Part A.

Medicare Part B is coverage for medical services other than inpatient hospital stays. Examples would include doctors' visits, outpatient care and blood work. Medicare Part B is optional and requires payment of a monthly premium which is generally deducted from monthly Social Security checks (for 2007 the standard premium is \$93.50 per month). Like most health insurance, Part B is subject to certain deductibles and co-payments.

Continued on Page 3



IN THIS ISSUE

-  MEDICARE PARTS A & B: THE BASICS
-  QRG IN THE COMMUNITY
-  TAX TALK WITH JIM
-  THE LONG WAIT FOR A SOCIAL SECURITY HEARING
-  WHAT'S THE VERDICT?
-  QRG COMMUNITY PARTNERS: THE YWCA LITERACY PROGRAM
-  QRG PERSONAL NOTES
-  SPOTLIGHT ON OUR ARMED SERVICES
-  YOUR DISABILITY BENEFIT: IT IS WHAT IT IS
-  MEET THE NEWSLETTER COMMITTEE

The LEGAL UPDATE is prepared by the staff of QRG for its friends and clients. The UPDATE sets forth general principles and should not be acted upon without specific advice.

QRG IN THE COMMUNITY

The city of Latrobe has a long-standing tradition of a city-wide **4th of July Celebration**. For over thirty-five years, the festivities have included a 5-mile race open to all. **QRG** was proud to contribute to the annual celebration by co-sponsoring this traditional run on Friday, June 29, 2007. This year's top finishers were Andrew Herr, Marco Dozzi and Matt Robson in the Men's Division and Leah Shouey, Lindsey Shouey and Tammy Slusser in the Women's Division. For additional race results, see www.runhigh.com.



Race participants



The finish line!



Race day fun

[Photos on front page: (Top) QRG banner at start of race (Bottom) Runners preparing for start]

On May 21, 2007, Attorney **Vince Quatrini** served as the keynote speaker at the annual awards luncheon of Faith in Action, the community program of Laurel Area Interfaith Volunteer Caregivers in Action. The Founders' Award was presented to the Community Foundation of Westmoreland County, the Civic Leadership Award to the Latrobe Bulletin, and the Partners in Faith Award to the Latrobe Presbyterian Church. Vince spoke on philanthropy and the rewards of giving back to the community. Vince's late father served as the editor of the Latrobe Bulletin for many years.

Attorneys **David DeRose** and **Barbara Artuso** were recently elected to positions of leadership in the Westmoreland Bar Association. David begins a four-year term on the Board of Directors; he also serves as Chair of the Building Committee. Barbara was elected to a five-year term on the Membership Committee.

Attorney **David DeRose** has been named Vice President of the Board of Directors for the Westmoreland County chapter of the American Heart Association. The Association's fundraising activities support research and development for the prevention and treatment of heart disease and stroke.

Each year **QRG** sponsors a table at the annual Westmoreland County Sports Dinner and Auction that benefits the local chapter of the National Epilepsy Foundation. The annual event is organized by Dr. Louis Catalano, Jr., and proceeds from the event support services for people with epilepsy and seizure disorders. Some members of the event committee are pictured at right at this year's dinner, held at Ferrante's Lakeview Restaurant in Greensburg.



At QRG we are looking forward to the Fourteenth Annual Polo for the Cure, which will be held on September 15, 2007 at Stom Hollow Polo Field in Ligonier. This annual event of the WPA/WV Chapter of The Leukemia & Lymphoma Society is the premier fundraising event that benefits leukemia and lymphoma research and patient aid. For information on The Society or to support Polo 2007, contact Tina Massari at 412-395-2872 or log onto www.lls.org/wpapolo. The tradition of "stomping of the divots" is shown at left.

MEDICARE PARTS A & B: THE BASICS

Continued from page 1

Medicare Part B coverage is an optional benefit, and you are permitted to decline it, or "opt out" of this coverage. The decision to "opt out" is an individual one, and involves many considerations. Generally speaking, Medicare Part B coverage is a desirable benefit. Do not decide lightly to "opt out" of Medicare Part B, because if you decide later that you want to buy Part B coverage, you will usually pay a higher monthly premium when you do enroll.

However, in some cases you can keep your existing health insurance until you need to enroll in Medicare Part B without paying a premium penalty for late enrollment. If your spouse's health insurance policy is covering all of your medical needs, if you are working part-time and have health insurance coverage through your employer, or if you are covered by a family member's insurance or insurance from a union group health plan, it is not mandatory that you select Part B coverage. In those instances, you will be able to enroll in Part B at a later date without a premium penalty. The specific time period during which you can elect Medicare Part B coverage without a premium penalty is called the "Special Enrollment Period".

To avoid paying monthly premium penalties for not enrolling when you are first eligible, there are specific rules you must follow when selecting Part B coverage during the "Special Enrollment Period". First, you must notify the Social Security Administration in writing that you do not want to enroll in Medicare when it is first offered. Next, the "Special Enrollment Period" is only available for eight months following the expiration of your private health care coverage. Failure to enroll during those eight months will also result in higher monthly premiums.

Another important rule about health insurance coverage is that Medicare can be primary insurance coverage even if you have other health insurance coverage. If your employer has less than 20 employees, Medicare Part B will be primary and the group health insurance will be secondary. In that case, group health insurance will not pay any medical bills until the Medicare Part B payment is made. So be careful - if you decline Medicare Part B in this situation, you will end up with no health insurance coverage for things such as doctors' visits, outpatient testing, and other medical services that Medicare Part B would be responsible to pay.

This article is a very brief overview of Medicare coverage and cannot answer all questions on this subject. For additional information, please refer to the booklet, "Medicare & You", issued by the Centers for Medicare & Medicaid Services. Other sources of information are:

www.medicare.gov

1-800-MEDICARE (1-800-633-4227)

TAX TALK WITH JIM

By James A. Horchak, Esq., CPA

For those who itemize deductions and deduct charitable contributions, beginning with the 2007 tax year, the IRS will require a record for each contribution you claim, regardless of the amount.

The IRS has approved the following documentation to support your deduction:

1. A bank record, such as a cancelled check, a copy of a cancelled check, or a statement containing the name of the charity, the date and the amount; or
2. A written receipt from the charity, which includes the charity's name, the date of the contribution and the amount.



THE LONG WAIT FOR A SOCIAL SECURITY HEARING

By Barbara J. Artuso, Esq.



When we speak with clients about Social Security disability cases, one of the most distressing pieces of information we have to tell them is how long it will take for their hearing to be scheduled.

During the wait, people who have applied for Social Security benefits exhaust savings, borrow from friends and families, lose cars and homes, and sometimes even die. While some individuals who are terminally ill or have lost their housing may have their cases expedited, even expedited cases are not heard immediately, just sooner. Inquiries by federal officials such as U.S. Senators or Representatives may or may not help expedite a claim.

Feelings of helplessness, anger, and frustration are a natural result of this waiting period. We understand those feelings, but unfortunately, we can do little to speed up the process.

According to the National Organization of Social Security Claimants' Representatives (NOSSCR), the "average" wait for a hearing is approaching one and one-half years; in some hearing offices, it is more than two and one-half years. In addition, the number of pending cases is growing. New staff cannot be hired due to a hiring freeze, and the most experienced staff members continue to leave as they reach retirement age. The Commissioner of the Social Security Administration, testifying before Congress, acknowledged that he expected the level of service to diminish this year.

It's important to remember that the delay is not personal to anyone. It is simply a matter of the huge number of cases pending, and the relatively small number of staff available to process them.



WHAT'S THE VERDICT?

By Richard H. Galloway, Esq.

Miles was a very skilled welder when he moved to Pennsylvania from Tennessee. He opened his own business and soon enjoyed a great reputation, which brought him more and more customers. He bought his own building, hired several employees and was able to buy a stately home in a nice part of town. He did not seem to have the same luck, however, in his romantic life. Then along came Thelma, a secretary for one of his customers. She was pretty, had a good sense of humor and seemed as attracted to Miles as he was to her. They began a three-year courtship, and Miles was convinced that she was the right one. He bought a diamond engagement ring and prepared to pop the question to Thelma.

A lawyer friend suggested that with all the uncertainty in the world, Miles should have Thelma sign a prenuptial agreement before they got married. If the marriage went sour, his business and property would be protected. By now, Miles had an industrial building for his welding business, the house in town, and more than \$100,000 cash hidden in a milk can in the basement. (He didn't trust banks, the result of having lived through the Depression and having seen banks fail on every corner.) Miles wasn't sure what to do, but finally had a prenuptial agreement drafted. The lawyer asked him what assets he owned and he named everything - except the cash, a secret he kept even from his lawyer. The prenuptial agreement listed the house and the business as Miles' property, but did not mention the cash in the milk can.

Thelma was shocked, disappointed, and outraged that she had to sign an agreement to marry Miles, but saw his point in protecting his assets if things didn't work. Besides, the agreement provided for her to get a settlement of \$25,000 if the marriage failed. She had no interest in his welding business, and she thought \$25,000 would make a down payment on her own house. She signed the agreement.

Five years later, Thelma realized Miles was a workaholic who never spent time with her. She filed for divorce and asked for a fair share of the business and the house. As she was moving out, she came across the milk can in the basement, counted it and found that it contained \$152,322. Thelma thinks that the prenuptial agreement was unfair in view of the hidden cash. Is the agreement valid?

Answer on Page 7

QRG COMMUNITY PARTNERS

Over the years, we have formed relationships with many community leaders, businesses and organizations. From time to time we will feature articles from people and organizations in our community about subjects which we feel may enrich your life. In this issue, we are featuring a contribution by Pam Ridinger, who is the Executive Director of the YWCA Literacy Program. The article gives general information on the Program and its fundraiser, the Used Book Sale.

THE YWCA LITERACY PROGRAM

By Pam Ridinger

In today's society, being literate is so much more than having basic reading, writing and speaking skills. It also means having to fill out job applications, write a resume, list questions to ask the doctor at the next visit, use English to clearly communicate needs when in an emergency situation, listen to political candidates and make informed choices, and write a memo to a child's teacher that accurately communicates thoughts. The YWCA Literacy Program strives to help members of the community meet those objectives.



The program's mission statement: The YWCA Westmoreland County Literacy Program is dedicated to giving adults and their families the opportunity to acquire the literacy skills they need in order to be effective in their roles as members of their families, communities and workplaces.

The late Yvonne Grandy founded the Westmoreland County Literacy Council over 30 years ago. On November 1, 2002, the YWCA assumed leadership of the program and changed its name to The YWCA Literacy Program. The YWCA Literacy Program serves Westmoreland County in two ways. The Basic Adult Literacy Program uses trained volunteers to provide one-on-one tutoring for adults with limited reading skills. In addition, there is an English as a Second Language (ESL) program for individuals living in the county whose native language is not English. Small group classes are available for the ESL students, allowing them to meet and interact with others as they learn the English language. These services are provided free of charge.

Many volunteer opportunities exist within the Literacy Program. One option is to become a volunteer tutor, which only requires six hours of training. Volunteers are also needed throughout the year to help sort books for the annual Used Book Sale held every September at Westmoreland Mall and to help at the Book Sale itself. Proceeds from the Book Sale help support the Literacy Program services.



Donations of used books for the Book Sale are accepted all year long and may be dropped off at the book shed at the end of the YWCA parking area at 424 North Main Street in Greensburg, Pennsylvania.

This year's book sale will be held September 20 - 23, 2007 at Westmoreland Mall and marks the 32nd year of this event. Great buys are available on gently used books - most sold by the inch - and you can support a worthy cause with your purchases.

QRG PERSONAL NOTES

Michael Quatrini, son of attorney **Vince Quatrini**, graduated from the Duquesne University School of Law in May. Following the bar exam in July, Michael will join the firm full-time.

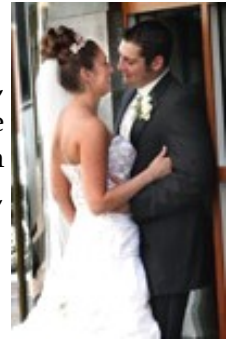
Christopher DeRose, son of attorney **David DeRose**, recently graduated with a Bachelor of Arts in theatre from McDaniel College in Westminster, Maryland. Christopher will spend the summer acting in a lead role in "Joseph and The Amazing Technicolor Dreamcoat", following which he will relocate to Chicago, where he is enrolled in classes at Second City Television.



Ryan Carmen, son of legal secretary **Donna Carmen**, married Ashley Bridges on July 7, 2007. The ceremony at Immaculate Conception Church, Irwin, was followed by a reception on the Gateway Clipper Liberty Belle. The couple is currently residing in Irwin and will embark on a delayed honeymoon cruise this winter. Ryan is the event manager at Murrysville Golf Course, and Ashley works in the pharmacy department of Shadyside Hospital and is a nursing student at the Community College of Allegheny County.

On May 7, 2007, **Kelsey Sherbondy**, daughter of paralegal **Brenda Sherbondy**, was inducted into the Ligonier Valley High School chapter of the National Honor Society. The NHS recognizes students who excel in the areas of scholarship, leadership, service, and character. Kelsey recently completed her junior year at LVHS.

John Picciano, son of legal secretary **Debra Picciano**, married Sarah Wyzkiewicz on July 14, 2007. Following a ceremony at St. Mary's of the Mount, the couple received guests at The Grand Hall of The Priory in Pittsburgh. After honeymooning in Jamaica, the couple will return to their home in Penn Township. John is a forensic scientist for the Pennsylvania State Police, and Sarah is the Director of Admissions for the Art Institute of Pittsburgh.



Lydia Herrholtz, daughter of paralegal **Angela Herrholtz**, recently won first prize in a coloring contest sponsored by Standard Bank in Ligonier. The kindergarten contest raised \$165 for the Make-a-Wish Foundation.



Cassidy Chappell, daughter of paralegal **Rhonda Chappell**, plays shortstop on her traveling softball team, Evolution 12U. At the recent "Rumble on the River" tournament held in Lower Burrell, Cassidy's team defeated its opponent, the Furies, by a score of 11 - 6 and earned its first championship title of the season. Cassidy is pictured at left with the trophy and team photo.

Nicholas Hudec, son of legal secretary **Patty Apone**, received the Senator's Award of Excellence for maintaining a 4.0 grade point average during his ninth-grade year at Mount Pleasant Area High School. He and two fellow students share the number one class rank.

Connellsville Color Guard, coached by client care representative **Terri Ross**, earned multiple honors at the National Championships held in Wildwood, New Jersey. The team placed first in their chapter, and seventh in the all-chapter championship.



SPOTLIGHT ON ... OUR ARMED SERVICES

~ A tribute to our servicemen and women stationed throughout the world ~

Heather M. Kerr, Senior Airman, U.S. Air Force, is the niece of legal secretary **Elizabeth Ranalla** and was recently stationed with the 407th Air Expeditionary Group at Ali Air Base in Iraq. Heather is currently active in the Air Force National Guard at Lackland Air Force Base, San Antonio, Texas, and is employed as a computer technician at Laughlin Air Force Base in Del Rio, Texas.



WHAT'S THE VERDICT?

Continued from page 4

ANSWER: A prenuptial agreement is designed to provide some protection for a person who has accumulated substantial assets when that person enters into a marriage with someone who does not have similar assets. It tries to provide some fairness in protecting the person who holds the assets, while providing some compensation to the one without the assets. Courts are willing to uphold prenuptial agreements providing they are fairly entered into, that each side has a chance to consult with his or her own separate counsel, and that there is a fair disclosure of the assets.

Here, Miles didn't want to tell anyone, including his lawyer, about the cash in the milk can, and so it wasn't listed in the prenuptial agreement as an asset. Because it was such a serious concealment of assets, the prenuptial agreement is probably going to be declared invalid and the assets divided in the divorce as if the agreement never existed. Had Miles disclosed the milk can money, the agreement stood a good chance of being upheld in court.



Moral of the story: If you're going to hide money, make sure you hide it really well, so it can't be found.

Better moral of the story: Don't conceal facts from your lawyer, or you are going to get the wrong advice.

Final moral of the story: Don't be a workaholic—it can cost you a milk can full of cash.

YOUR DISABILITY BENEFIT: IT IS WHAT IT IS

By A. Tereasa Rerko, Esq.

Quite often, I am asked how much monthly income a person will receive if they are approved for Social Security Disability (SSD) benefits. My answer is always, "It depends." What it depends upon is your individual earnings history. Monthly SSD benefits are similar to snowflakes: no two are exactly alike. Even if your neighbor or relative is working for the same employer and making similar wages, the calculation of your SSD benefits may not be the same.

SSD benefits are calculated using your unique work history, which includes your earnings for all jobs that you have worked during your lifetime. At the time you are determined to meet the disability requirements of SSD, your benefits will be computed using that work history. The Social Security Administration (SSA) looks at not only how much was earned, but when the income was earned. That income is then subjected to a complex formula to calculate your disability benefit amount.

It is always a good idea to check your earnings history on file with the SSA for accuracy. As long as your earnings history recorded by the SSA is correct, there is really no way to increase the monthly disability benefit amount. However, if your earnings history is not complete or accurate, then the calculations used to determine your monthly benefit amount will be incorrect. We suggest that you make any corrections to that record as soon as possible. To obtain a copy of the earnings record that SSA has on file, a simple request form needs to be completed. To obtain that form, contact your local SSA office, go to www.ssa.gov, or contact our office.

MEET THE NEWSLETTER COMMITTEE

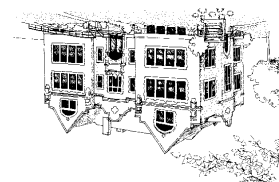


The members of QRG's Newsletter Committee meet regularly to prepare our quarterly Legal Update. We hope you enjoy the newsletter as much as we enjoy bringing it to you!

Standing, L to R: Attorney **David DeRose** and Attorney **Barbara Artuso**
Seated, L to R: Office Administrator **Joyce Vivio**, Attorney **Dick Galloway**,
Attorney **Joyce Novotny-Prettiman** and Attorney **Jim Horchak**

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