



# SMART ESTATE PLANNING FOR ELDER CARE, TAXES AND SPECIAL NEEDS

Lampertius & Associates, PLC

# SMART ESTATE PLANNING

## Medical Decisions & Advocacy

- Clear Legal Authority and Guidance
- Communication is Key
- High Pressure in Medical Discharge Planning
- Greater Continuum of Care
- Great Care First / Finances Follow

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## Medical Care Planning

- Five “A’s” for Safe Care
  - ✓ *Appropriate*
  - ✓ *Accountable*
  - ✓ *Accommodating*
  - ✓ *Accessible*
  - ✓ *Affordable*

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## Medical Decisions & Advocacy

- Broken Payment Systems
- Cost Containments - Medicare, VA, Medicaid
- LTC Insurance - New MI Partnership Program
- Expansion of Geriatric Care Management
- More Palliative and Hospice Care

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## Financial Durable Power of Attorney

- New Requirements due to Elder Abuse Concerns
- Overcoming Acceptance Issues
- Specific Authority is often lacking

Real Estate

Retirement Benefit Accounts

Gifting

Trust Funding

529 Plans

Family Caregivers

## Trust Updates in Last Five Years

- New Michigan Trust Code in 2010

Strengthened Power to Protect Beneficiaries

Trust Protector can update and enforce intent

- New Technical Steps to Protect Inherited IRAs

2014 U.S. Supreme Court: “not protected”

Trust can protect IRA, but needs to comply

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## “Permanent” Estate Tax Changes 1/01/2013

- \$5 Million Exemption indexed to inflation

Currently \$5,430,000

Gift Tax Exclusion currently \$14,000

- Portability of Exemption for Spouses

Surviving spouse can have both Exemptions

Estate Tax Return necessary with first spouse

Less need for Separate Trusts

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Before January 1, 2013:

Separate Trusts only way to keep both Exemptions



- More costly and complex
- Less than full protection of both Exemptions



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After January 1, 2013:

More Use of the Joint Trust



- Simpler, More Flexible & Less Costly
- Existing Separate Trusts Merged
- Exceptions: separate wishes or pre-nuptial

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## New Exemptions from Property Tax Uncapping

- Change in Joint Owners as of 2008
- Between Certain Relatives as of 12/31/13
- Trust or Estate to Certain Relatives as of 12/31/14

### Titles in favor:

- Husband & Wife
- Trust

### Titles out of favor:

- Joint Owners
- Lady Bird Deed

# SMART ESTATE PLANNING

For over 20 years, Jim has specialized as an Elder Law Estate Planning Attorney. After U of M Law School, he completed post-graduate work with Wayne State University Institute of Gerontology as a Specialist in Aging. He is a frequent lecturer and writer for the Institute of Continuing Legal Education of the State Bar of Michigan.



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