

# how to

## protect your life savings

### tips

1.

Life savings can be protected even if you are in a nursing home.

2.

Review all of your retirement options now, rather than later or never.

3.

Trusts are not reserved for the rich alone. Trusts can be used for your benefit to:

- avoid probate
- reduce or eliminate estate taxes
- protect your home and your life savings
- provide for a disabled child without losing government benefits

Attend the legal check-up seminar provided by the AARP Legal Services Network to learn more about your options and choices.

You have worked hard and planned for retirement. Your plans may include travel, golf, gardening, reading and quality time with your grandchildren. Unfortunately, for some, plans and dreams are interrupted by long-term illness requiring nursing home or home care.

The cost of nursing home care in upstate New York is currently approaching \$8,000 per month. At this high cost, life savings can be depleted in a very short period of time. This article reviews preserving your life savings in the event of a catastrophic illness. It is imperative to know your legal rights and to plan ahead. Medicare will not pay for custodial care in a nursing home or for long term home care.

Medicaid will pay for custodial care in a nursing home and for long term home care. However, there are strict financial eligibility requirements before you are able to receive Medicaid coverage.

A single person who has not planned in advance is eligible for Medicaid only after that person's life savings has been spent down to \$4,000. For example, a widow in a nursing home with \$100,000 in savings would be required to spend down her life savings to \$4,000 on nursing home expenses before she would become eligible for Medicaid.

For married couples, when one spouse requires nursing home care, the healthy spouse is only entitled to keep one-half of the couple's combined life savings up to a maximum of \$95,100. For example, a husband in a nursing home would be required to spend down the married couple's life savings of \$200,000 to \$95,100 before he would become eligible for Medicaid. The wife's standard of living would be substantially reduced.

Under current law, the Medicaid agency can review any transfers made to another person or to a Trust. Medicaid eligibility may be delayed as a result of these transfers. Therefore, it is ideal to plan as far in advance as possible.

The loss of your life savings does not have to happen if you know your legal rights. If a family member is already facing a catastrophic illness, it is never too late to protect some or all of your life savings using special Medicaid rules. Assets can still be protected even while in a nursing home. The law allows you to protect your life savings monthly. In the Rochester area over \$6,900 a month can be protected even while you are in a nursing home. Acting quickly is critical. The Koldin Law Center, P.C. is there to help.

There are important additional financial protections available for the healthy spouse.

As a result of misinformation, families unnecessarily spend their life savings towards the cost of care before establishing Medicaid eligibility. The government has made it possible to set up specially designed irrevocable family trusts to protect your home and life savings if you need home health care or nursing home care. These trusts are closely held, involving only the family.

The trust does not change the way you live your everyday life. You maintain total control over your personal finances and daily decisions. You write your own checks and pay your bills.

You retain the right to change your beneficiaries at any-time. The assets of the trust are available for your benefit during your lifetime. The trust can hold and protect your most important assets. Your bank accounts, stocks, savings bonds, life insurance policies, annuities and family home can all be protected. In addition to protecting savings for your benefit, such a trust accomplishes two other important objectives: the family can avoid probate and estate taxes may be reduced or eliminated.

All trusts are not the same. The language in each trust differentiates one from another. A revocable trust can be used to avoid probate and sometimes to avoid estate taxes. It is often used in conjunction with long-term care insurance. A revocable trust will not protect your assets from Medicaid.

The Koldin Law Center, with its caring staff of over 20 dedicated professionals, has the knowledge and experience in the Medicaid field to represent you in a time of crisis. We provide complete representation throughout the Medicaid process while protecting family assets. We have over 30 years' experience concentrating in Elder Law, Estate Planning, and Medicaid Law. Leonard C. Koldin is a participating attorney in the AARP Legal Services Network. Attorneys at the Koldin Law Center are the exclusive panel attorneys for the CSEA Elder Law Plan in all of upstate, including the Rochester area.

The Koldin Law Center works with you, your family, your financial advisor and your accountant to provide you with a comprehensive estate plan that will meet your needs and put you in control of your future. There is no fee for the initial consultation. More information is on the Koldin Law Center's website at [www.koldin.com](http://www.koldin.com).

The Koldin Law Center has offices in Rochester, Syracuse and Albany. The Rochester office is located at 120 Corporate Woods, (585)292-0090.