

Estate Planning

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Estate planning includes . . .

01

LIFETIME
PLANNING

02

ESTATE
ADMINISTRATION
AT DEATH

03

PLANNING FOR
NURSING HOME
EXPENSE

01. Lifetime Planning

- ◆ Health Care Power of Attorney
- ◆ Durable Power of Attorney for Finances
- ◆ Living Trusts

Guardianship:

Court appointment and supervision of an agent for your person and/or an agent for your finances.

- ◇ Guardianship may become necessary in the following situations:
 - ◇ A lack of advance planning such as powers of attorney, or advance planning that does not give the agent adequate authority.
 - ◇ Protective placement (a court order requiring a person remain at a specific facility or type of facility) is required.

02. Estate Administration at Death

01

OPERATION OF
LAW

02

WILLS

03

TRUSTS

02. Estate Administration at Death

01

OPERATION OF
LAW

◆ Beneficiary Designations
(T.O.D. & P.O.D.)

◆ Joint Tenancy with Right of
Survivorship

SECURE Act

- ◆ New law passed in December 2019
- ◆ Limits the ability of non-spouse beneficiaries to stretch qualified account payments based on life expectancy (in most situations). The entire balance must be distributed within 10 years.

02. Estate Administration at Death

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02

WILLS

- ◊ Most common type of estate planning
- ◊ Require probate administration if the gross estate value exceeds \$50,000.

Probate Administration:

the court supervised administration of an estate

- ◊ May extend the time during which estate assets are tied up
- ◊ Public
- ◊ Often requires assistance of an attorney
- ◊ More expensive

02. Estate Administration at Death

01

OPERATION OF
LAW

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WILLS

03

TRUSTS

02. Estate Administration at Death

03

TRUSTS

- ◆ Allow for administration of assets both during life and after death
- ◆ Private
- ◆ Cost savings

Trusts - a universal tool

- ◆ Ensure that money is used for specific purposes or handed out only when certain contingencies are satisfied.
- ◆ Protect money for the benefit of children, young adults, and other inexperienced money managers.
- ◆ Create a reserve of assets for individuals with special needs without reducing eligibility for public benefits.
- ◆ Remove assets from an individual's estate for Medicaid planning or tax planning.

.03 Planning for Nursing Home Expense

- ◇ Medicare vs. Medicaid (a/k/a Medical Assistance or Title 19)
- ◇ Income & Asset eligibility for Medicaid
- ◇ Planning seeks to reduce countable income or assets
 - ◇ Preserves assets for future beneficiaries
 - ◇ Accelerates Medicaid eligibility
- ◇ Risks & Pitfalls
 - ◇ Loss of control & exposure to creditors
 - ◇ Reduced income and/or limited access to assets
 - ◇ Divestment penalties

Thanks for Listening.



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