

What Steps Should Seniors Take Now?

Written By: Jeffrey A. Marshall, CELA*

As a result of the Deficit Reduction Act, here are some planning steps seniors might want to consider.

1. If you are considering transferring assets to your children or to an asset protection trust, planning ahead is crucial.



2. If you are healthy and can afford the cost, consider purchasing long-term care insurance.



3. Because of the extension of the look-back period to five years, and the change in the way transfer penalties are calculated, seniors may wish to consider making transfers at least five years before needing financial help with long-term care costs.

4. For the first time, the complete exemption of your home is under attack. Expect this to be the start of a trend. The Deficit Reduction Act sets a \$500,000 equity limit, but this may soon be lowered. The Governor's Association has proposed that the exemption be limited to \$50,000 of home equity. Seniors may wish to consider transferring ownership interests in their home in order to protect this most valuable asset.



5. Talk to your lawyer about whether you need to update your estate planning documents.

6. Because of the complexity of the Deficit Reduction Act provisions, and their novelty, you should seek the highest quality expert legal representation when reviewing your options. This is no time to be penny-wise and dollar foolish. Make sure your lawyer is experienced and knowledgeable in Medicaid as well as estate planning. At the very least, seek the assistance of a certified elder law attorney (CELA). The wrong guidance can cost you dearly.

Elder Law Firm of
Marshall & Associates

Elder Law, Estate Planning & Estate Administration
Williamsport ♦ Jersey Shore ♦ Wilkes-Barre
1-800-401-4552

www.paelderlaw.com

*Attorney Marshall is a Board Certified Elder Law Attorney by the National Elder Law Foundation