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Protecting Your Family from the Impact of Alzheimer's

Legal and Financial Planning… Just in Case

The Alzheimer's Foundation of America estimates that over five million Americans have Alzheimer's disease, a progressive degenerative disorder that attacks the brain's nerve cells and results in loss of memory, hindered thinking and language skills, and behavioral changes. They also estimate that nearly half a million Americans have early onset Alzheimer's.

And the problem continues to grow as we age: The rate of Alzheimer's doubles every five years over age 65.

While you or someone you love may not be able to avoid Alzheimer's, you can plan ahead to mitigate the legal and financial impact you are likely to face. Start by creating property and healthcare Powers of Attorney to ensure that someone you trust can take over your affairs, if you are incapacitated and unable to make your own medical and financial decisions.

Next, you may also need Medicaid pre-planning and asset protection. It pays to start this planning early because there is a five-year look-back period imposed when applying for Medicaid benefits. For example, say you decide to gift your vacation home to an irrevocable trust or to a child but retain the right of occupancy for your lifetime through an occupancy agreement. Five years (the look-back period) must pass before you apply for Medicaid benefits, or the state will consider the home to be an asset that can be used to pay for certain types of care.

Medicaid pre-planning strategies may include gifting certain assets to family members, so those assets are not counted as available to pay for your care. A Medicaid Trust may also be a strategy to safeguard your nest egg from the high costs of long-term care. However, this can be a complicated area of the law and if not done properly could cause the state Medicaid agency to impose penalties on your qualification for benefits.

To ensure you properly protect your estate if you or your spouse develop Alzheimer's, call our office to schedule an appointment. ■

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Want to Enjoy Stress-Free Holidays?

It's All in the Planning

Combine the hosting, cooking, decorating, gift buying, cleaning, and the occasional family squabble… and sometimes the holidays can be more stressful than joyful. To ensure this holiday is different, try a few of these tips.

First, know when to say no. Keep the focus on your family and close friends. Don't say 'yes' to every invitation, and don't try to invite too many people to your get-togethers. Next, keep things simple: Don't try new recipes, redecorate your entire home, or try to do everything on your own. Ask for help—often your guests will prefer having something to do instead of watching you scramble to get everything done.

Travel smart. Book flights, hotels, and rental cars early to save money and check a major planning hassle off your list. Pack light, because chances are you need less than you think. And if you plan to take gifts, consider shipping them to your destination ahead of time—or give gift cards.

Speaking of gifts, make sure you start with a plan. Make a list of all gift recipients and come up with ideas before you start to shop. Consider buying online, but make sure to leave plenty of time for packages to arrive—and to buy replacement gifts if some items don't turn out the way you hoped.

Last, but definitely not least, take care of yourself. Try to maintain your normal routine. Schedule in a few breaks so you can unwind from the social whirl.

The holidays are a time of giving. Make sure to plan ahead so you can give yourself the gift of togetherness, happiness, joy—and a lot less stress. ■

Simple, Easy Ways to Stay Healthy

Do you want to stay physically, mentally, and emotionally healthier this season?

- **Get a flu shot.** Thousands of people die from the flu each year, and hundreds of thousands are hospitalized. You can reduce the chances of spreading a virus to other people by getting the appropriate vaccines.

- **Get a checkup.** Under new health care law changes, many preventive care items may be available at no cost. In addition to a basic physical, consider an annual heart checkup to screen for cholesterol, blood pressure, and other cardiovascular risk factors. Some organizations provide free heart screenings; ask around!

- **Eat more vegetables.** Plant sources of omega-3 fatty acids can help protect your skin, act as an anti-inflammatory, and even have some impact on mental health. Flax seeds, walnuts, and soybeans are among the best sources.

- **Use sunscreen.** Ultraviolet A (UVA) rays are just as intense in the winter as in the summer and penetrate car and house windows even more than ultraviolet B (UVB) rays. Protect yourself year-round by using a broad spectrum (UVA/UVB) sunscreen with an SPF of 15 or higher every day.

- **Take a class.** You can learn a new skill and make new friends at the same time. Contact your local community center or college for a schedule of current classes. Staying mentally active and alert can help delay or prevent the onset of Alzheimer's and other forms of dementia. ■

What's In a Legacy?

She grew up poor, yet became one of the richest women in the world. Landing a job in radio while still in high school, she went on to co-anchor a local news show at age 19. She became the host of a local daytime talk show, then launched her own production company and developed a nationally-syndicated talk show.

She was nominated for an Academy Award, wrote five books, publishes her own magazine, and now owns her own television network.

In the process, she has made a tremendous impact on millions through her philanthropy, such as the Angel Network and the Leadership Academy. She has done so by creating an amazing personal connection on an individual level. Many people, even though they have never met her, consider her to be one of their best friends.

You may not be able to connect with millions of people as Oprah Winfrey has, but you can make a major impact on the people who are close to you.

What will your legacy be?

Charitable Giving and Income Taxes

Year-End Planning to Help Your Favorite Causes

Charitable gifts are a great way to support worthy causes and, as an added benefit, reduce the amount of income tax you pay. In order to get the biggest income tax bang for your charitable contribution buck, some planning is often necessary.

First the basics: Generally speaking, if you give cash to a public charity, that donation is deductible up to 50% of your adjusted gross income. If you give funds to a private foundation, the deductible limit is 30%. If you give appreciated assets, it could be less, depending on the type of property and to whom it is given.

One of the best ways to maximize the income tax deduction of a charitable gift is to create a Charitable Remainder Trust. It is a tax-exempt irrevocable trust that allows you to transfer cash or assets, including appreciated assets, to the trust and receive income for your lifetime, your spouse's lifetime, or even the lifetime of your children and grandchildren. Transfers to the trust create an income tax deduction for the year the contribution was made, and any remaining deduction can be carried over for up to five additional years. The deduction is the actuarial value of the remainder interest which will go to charity.

For example: Say you own $1 million worth of shares of XYZ stock. You purchased those shares for $100,000. If you sell those shares you have a gain of $900,000. Gifting the shares to a Charitable Remainder Trust can allow you to reduce your income taxes and ensure that the value of the stock goes to the charity of your choice. Through giving, you can lower your current and future tax bite: current because you get the charitable deduction, and future because the income generated by the trust is not taxed until it is distributed to you (or other non-charitable beneficiaries) in future years, when you may be in a lower income tax bracket.

Charitable Remainder Trusts can be highly effective tools for reducing income taxes and maximizing charitable donations, but the guidelines for compliance are strict, and the process can be complicated. If you want to make a donation to your favorite charity, make an appointment with our office to see if a Charitable Remainder Trust is right for your unique financial and estate planning circumstances.