



17 SMART WAYS TO PROTECT YOUR ASSETS

By

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Smart Way #1: Make a promise to yourself -- now. Make a personal commitment to yourself and your family that you will do everything possible to protect your family and your assets before trouble arises.

Smart Way #2: Identify your personal and financial goals. If you could have anything you want, personally and financially, what would it be? What are your dreams? How do you and your spouse want to spend your retirement years?

Smart Way #3: Discover which tools you can use to achieve those goals. You have many legal tools at your disposal that, when used correctly, will create exactly the plan you want for yourself and your family. Ask your estate planning attorney to explain the tools that will achieve your personal and financial goals.

Smart Way #4: Avoid probate and the Court system, as appropriate. Create a family estate plan that, upon your death, distributes your assets to your heirs without going through the Court-supervised process called probate. Most often a Revocable Living Trust is used for this purpose.

Smart Way #5: Reduce taxes whenever possible. Create a family asset protection plan that eliminates unnecessary income and capital gains taxes and minimizes all other taxes. Without proper planning, much of your estate can be lost to various types of taxes.

Smart Way #6: Protect yourself with insurance. Lawsuits can quickly tie up your assets. And if the other party wins the lawsuit, the judgment against you could quickly deplete your funds. If you drive frequently, own rental property, or operate a business, buy an umbrella liability policy that protects your assets from lawsuits.

Smart Way #7: Provide for future health care and financial decisions. Your family estate plan should protect you and your spouse if the time comes when either of you cannot make decisions. Your estate planning attorney can make sure you have the legal documents in place so a competent, trusted person can make these important decisions according to your wishes.

Smart Way #8: Pay close attention to Alzheimer's disease and its associated costs -- and plan now to fund nursing home care. With the aging baby boomer population, more people are living longer. This means that your chances of acquiring Alzheimer's will increase and this is the number one reason that people enter a skilled nursing facility.

Many people who never expect Alzheimer's disease to strike have had to face its problems with no advance planning, so plan for Alzheimer's disease now, while you have time. This includes the need to address issues of backup decision-makers, assisted living, and nursing home care. If your children can care for you later in life, that's fine. If they cannot, your advance planning will pay big dividends. Plan for the worst -- and hope for the best. Then, in either case, you will have all your bases covered.

Smart Way #9: Keep all control within your family. If you don't plan properly, you could find that a friend or relative has petitioned the Court to intervene on your behalf. Once a judge gets involved, you have ongoing legal and accounting expenses, plus more problems and hassles than you would ever want to endure. The smart way to plan for your later years is to keep total control within your family.

Smart Way #10: Create your plan now, while everyone involved is competent to make decisions. Seniors often come to our office seeking help only to learn that they are too late to correct a terrible situation. We feel awful when we must tell them that the much-needed planning should have been done two, five or ten years earlier. Don't wait until you need help to create your plan. By then, it's too late.

Smart Way #11: Review your plan at least once a year. Every time your circumstances change or your goals change, you should change your estate plan. If your plan is not up to date, the unintended consequences to you and your family could be disastrous. Make an appointment at least every year to meet with your estate planning attorney, then you can go over your plan and discuss any changes in your life circumstances.

Smart Way #12: Make proper decisions concerning your retirement benefit distributions. Make sure your estate plan maximizes income-tax-free deferrals and minimizes income and estate taxes.

Smart Way #13: Work closely with your physician about your Medicare coverage. Often skilled nursing services and home health coverage are terminated or denied with little or no input from your treating physician. Before you go without health care that could be covered by Medicare, talk with your physician about your concerns so he or she can help you get the Medicare coverage you deserve.

Smart Way #14: Think about future housing options. Start from the perspective of where you would like to live. Then determine if you could afford this option by comparing your monthly income along with your life savings to the initial cost and the ongoing financial commitment you would have to make. Make sure you consider (1) your healthcare needs that will not be covered by insurance, (2) financial security for your surviving spouse, and (3) your desire to pass on a legacy to your children.

Smart Way #15: If you are in a second marriage, decide how you will handle the high cost of nursing home care. If you are not able to pay \$7,000 per month to a nursing home and want your children from an earlier marriage to receive your property, a Marital Agreement alone will not do the trick. Medicaid ignores these contracts and considers all of the couple's assets, whether owned jointly or individually, in determining Medicaid eligibility.

Smart Way #16: Keep the lines of communication open within your family. If one of your children will be managing your finances, you should take specific steps to help him or her avoid conflict within your family. Insist that your child disclose to other family members what has been done on your behalf. You can do this by adding this instruction to your Trust or General Durable Power of Attorney. By doing this you accomplish two things: One, you keep everyone in the loop so feelings of distrust are eliminated. And two, you reduce the risks of financial abuse because other family members will know how your finances are being managed.

Smart Way #17: Hire a competent, experienced estate planning firm to create an estate plan. The areas of estate planning and elder law are far too complex to hire just any attorney. Often, strategies used in estate planning to minimize taxes directly conflict with strategies used in elder law planning to protect assets and achieve Medicaid eligibility for nursing home care. In situations where both goals are important, you and your family need a law firm that has in-depth knowledge and experience with both sets of rules and strategies. Most firms are not qualified to provide these services. Make sure the estate planning firm you hire has the knowledge, skill, judgment, and experience to create a competent plan for you and your family.

You're Invited to Call or E-mail.

"If you have questions regarding any of our firm's practice areas or attorneys, please don't hesitate to call. We pride ourselves on being a small firm -- with the highest level of knowledge, skill, judgment and experience. And we'll be pleased to help you in every way."

-- *Ralph Minto*

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