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Elder Law for Boomers? Time to Consider!

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It used to be that elder law was for parents and grandparents in their 80s and 90s. But recently we've found that the children of our older clients were so unnerved by what happened to their parents that they wanted to do some planning themselves. We also found that many people in their late 50s and early 60s (baby boomers) were contracting illnesses previously associated with older age, such as Parkinson's and Alzheimer's. Some think that this may be related to the environment or military service in Vietnam, but that's a topic for a future article. This led us to some very interesting and important work.

Many boomers are still working. Many have nice retirement plans or real estate or other investments. Some have vacation homes and/or businesses. Many have life insurance. Some haven't taken their Social Security yet. If you're a boomer who doesn't fit this model, don't fret. We often see boomers with assets to protect. The rest of us are still scraping by and trying to recoup from the college education we provided our kids.

So, is it reasonable or practical to perform elder law for a younger client? We think the answer is a resounding "yes." We can do many things for someone who's still working that will greatly aid them later—when they face long-term care issues. And, incidentally, almost 80% of us will face some long-term confinement before we die. So, this planning is entirely within reason. Here is a partial list of the questions to ask:

1. What is the best time to take your Social Security? Remember, when you take it can dramatically change

your monthly allotment. Also remember, if you're confined to a nursing home, income must be spent down on care each month.

2. How should you choose your pension? Do you have the option to take an annuity vs. a lump sum? How does each impact you if you require long-term care (see #1 above)? Keep in mind that income cannot be saved, but assets can.

3. When should you start drawing on your IRA or 401K? If you wait until you are 70 to take your Social Security, you are also at an age where you are required to take money from your retirement accounts. This will affect your taxes and expose assets and income to long-term care costs. If you are a spouse of a boomer who

becomes ill, your retirement plans are protected, but your required distributions are not. Distributions are counted as income and used to calculate how much income you need.

4. How are your estate planning documents? Do you have up-to-date Powers of Attorney and Advance Directives? These are perhaps more important than your Will because they're needed when you get sick.

5. What is your asset mix? We advise clients to have a balanced mix of assets between retirement and non-retirement. Otherwise, if someone gets ill, you might be required to access retirement accounts, thereby incurring large tax bills.

6. Are there assets "available" for purposes

of third-party funding for long-term care? Are there vacation homes, time shares, insurance policies, annuities etc. that can be dealt with and removed and protected prior to any long-term care event? If so, do it! There are trusts that can keep your ability to use these homes without having them impact your long-term care later.

7. Are there any family health issues that might make planning more relevant for you? Is there a history of Alzheimer's, Parkinson's, strokes, MS, etc. that would add some weight to planning for long-term care rather than taxes? Have you served time in the military, especially Vietnam?

8. Are there any family members with disabilities? A Special Needs Trust that is

funded early might be able to be drafted with more favorable terms than one done while requiring care. Remember, there is a 5-year lookback for transactions, and it is always better to do the planning; so it doesn't show up in the previous 5 years from a nursing home confinement.

9. Is long-term care insurance an option? Better yet, is a Life Insurance Retirement Plan with a Long-Term Care rider an option? You may be healthy enough in your early 60s to take advantage of planning that would not be available should health issues come up later in life.

10. What about Medicare, supplemental plans, and prescription plans? What do you know about these things and what should you choose? Most boomers had an employer plan where they had to think very little about these issues. Which plan is best for long-term care? How should you choose? Be aware that most of our older clients have NO idea what their Medicare plan covers. Most don't know the difference between an advantage plan and a supplement. Most don't know how their plan handles skilled rehab. Don't wait until you are in a hospital to find out. Everyone knows what their plan costs, but most don't know what they get. Find out. There are many reasons to address these important issues now rather than later. Most people worry about their retirement, but they're focused on the wrong thing. Most think that they simply must save as much as possible in their retirement plans. Most are surprised to find out that saving is not always the best idea. We believe "planning early" is a better idea.

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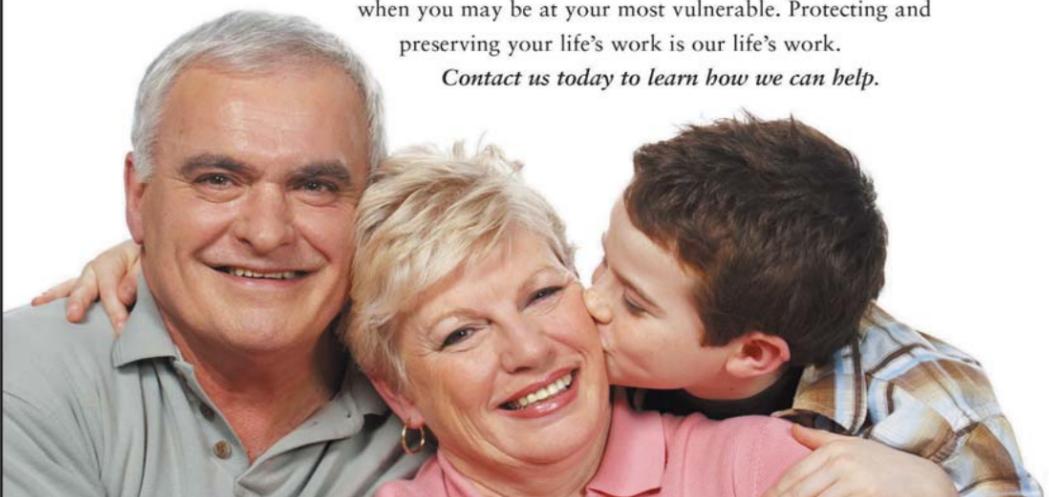
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The attorneys of Shober & Rock have years of experience helping individuals and families with the complex issues of elder law. We are here to help you prepare for and confront what may be the most complex legal hurdles of your life at a time when you may be at your most vulnerable. Protecting and preserving your life's work is our life's work.

Contact us today to learn how we can help.



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