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*Let's TAWC!
Asset Protection Planning:
Reducing the Financial Stress on the
Working Caregiver*



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Workplace Solution: *It's Time to TAWC About It*

TAWC: Tools and Advice for Working Caregivers

GDGC's Elder Care Employee Benefit Program is designed to help working caregivers navigate the eldercare landscape while remaining present and productive at work



SHRM-LI Webinar



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Workplace Solution: *It's Time to TAWC About It*

Studies show that giving employees the tools they need to help care for their aging loved ones:

- ◆ Reduces absenteeism
- ◆ Reduces downtime
- ◆ Reduces turnover
- ◆ Promotes job security for the working elder caregiver





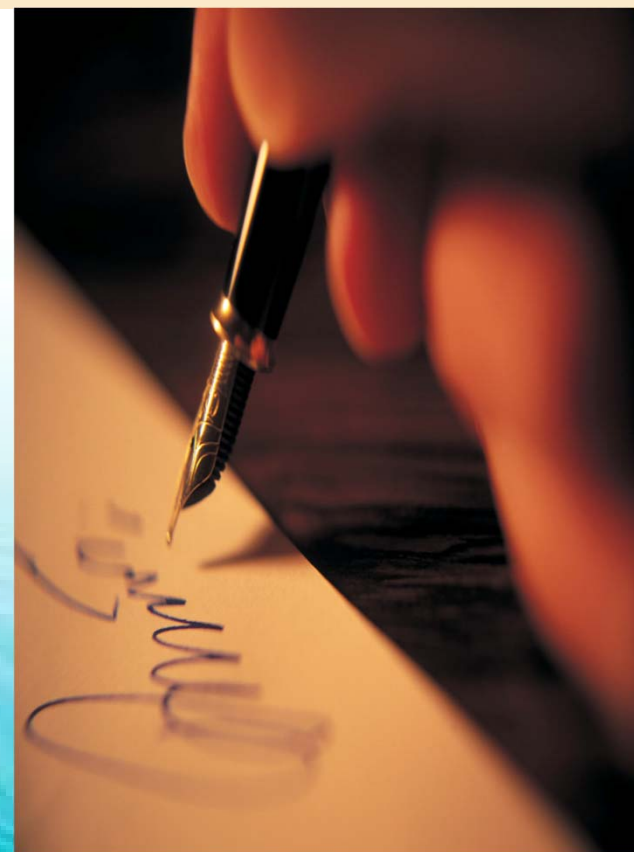
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Asset Protection Planning

The Importance of Planning Ahead

Engaging in asset protection planning well before a healthcare crisis will help to ensure the following:

- ◆ Finances will be available to assist with the cost of care.
- ◆ If you apply for government benefits, additional monies can be available for extras.
- ◆ It will reduce the financial strain on the caregiver.





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Asset Protection Planning

Irrevocable Trusts

Why establish a trust?

- ◆ Avoid penalty periods for Medicaid purposes
- ◆ Avoid the spend-down of assets on medical care
- ◆ Save assets for personal comfort items
- ◆ Save assets for heirs and beneficiaries





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Asset Protection Planning

Irrevocable Trusts – Payment Options During Life

- ◆ Creator can retain right to income from the trust.
- ◆ Creator must not have any access to principal.
- ◆ Creator can provide that children or other beneficiaries have access to principal during their lifetime.



Irrevocable Trusts – Payment Options Upon Death

- ◆ Trust Agreement must say who will receive property at the Creator's death.
- ◆ Creator can retain the right to change those beneficiaries by naming other beneficiaries in their Will.
- ◆ Funds remaining in Trust can be paid outright to selected beneficiaries or held in further trust (such as for minors).



Why Not Make Transfers to Children?

- ◆ Parent has no control over the assets given away.
- ◆ No guarantee that the assets will be used for the parent's benefit.
- ◆ Assets will be subject to the children's creditors, divorces, etc.
- ◆ If a child predeceases, the assets may go to the child's spouse, not the grandchildren.
- ◆ Assets are taxed as belonging to the children.



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Asset Protection Planning

Protecting the Family Home

Transfer of House/Primary Residence to a Trust:

- ◆ Retain the equivalent of a Life Estate
- ◆ Retain STAR exemptions, VA exemptions
- ◆ Creator/parent keeps all rights and obligations of the property
- ◆ Creator/parent retains the right to live in the residence.
- ◆ House can be sold and a new residence purchased.
- ◆ Trustee and children have no rights in the residence during the parent's life.





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Asset Protection Planning

The Result of a Good Asset Protection Plan

Once the 5-year look back has passed, the assets in the trust are protected for Medicaid purposes.

- ◆ By planning ahead, you can protect all the assets held in the trust.
- ◆ Assets will pass free and clear to family members/beneficiaries.
- ◆ Assets will not have to be spent down on the cost of care.



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Planning Ahead

In addition to educating working elder caregivers and teaching them how to navigate the elder care landscape, employers should encourage their workforce to plan ahead for themselves and their family members.

- ◆ Advance Directives
- ◆ Asset protection planning
- ◆ Trusts
- ◆ Tax planning



Planning ahead will take the guesswork out of dealing with a crisis at any point in someone's life.



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Elder Care is the New Child CareSM

Over 65 million Americans,
29% of all U.S. households, provide care for an adult
family member.

These numbers will only grow going forward.

Arm your workforce with the information they need now
and avoid a crisis later.

National Alliance for Caregiving in collaboration with AARP;
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