NCRO Estate Planning Made Easy February 21, 2018

PRESENTED BY

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TOPICS TO BE COVERED

1. SO WHAT IS NEW?

2. WHAT IS AN ESTATE PLAN?

- RULES OF INTESTACY
- JOINT OWNERSHIP
- BENEFICIARY DESIGNATIONS
- MICHIGAN STATUTORY WILL
- WILLS SIMPLE OR POUR OVER
- TESTAMENTARY TRUST
- INTER VIVOS TRUST
- IRREVOCABLE TRUST
- SPECIAL NEEDS TRUST

3. POWERS OF ATTORNEY

- GENERAL DURABLE
- SPRINGING DURABLE
- PARENTAL CONSENT
- MEDICAL DURABLE PATIENT ADVOCATE, LIVING WILL, HIPAA FORMS
- -FUNERAL REPRESENTATIVE

4. HYATT LEGAL PLAN COVERAGE

5. MEDICAID ELIGIBILITY

NUPTIAL AGREEMENTS

. GIFTS

WHAT IS NEW???

2018 Federal Estate Tax Exclusion Amount

INDIVIDUAL

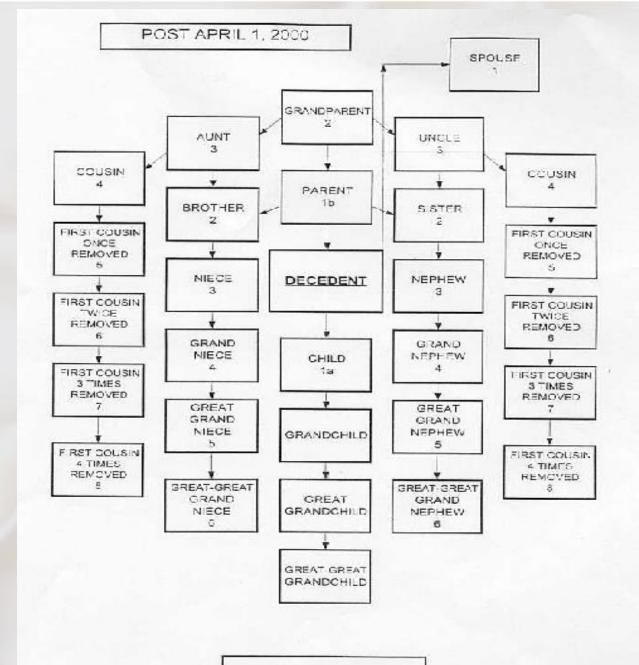
11.2 Million | 22.4 Million

MARRIED

WHAT DOES THIS EVEN MEAN???

Your Estate Plan Just Got Easier!





Typical Spousal Share

MCL 700.2102 (B) The first \$150,000.00, plus ½ of any balance of the intestate estate, if all of decedents's surviving descendants are also descendants of the surviving spouse and there is no other descendant of the surviving spouse who survives the decedent.



JOINT OWNERSHIP





■THE BAD■



■THE UGLY■

THE GOOD

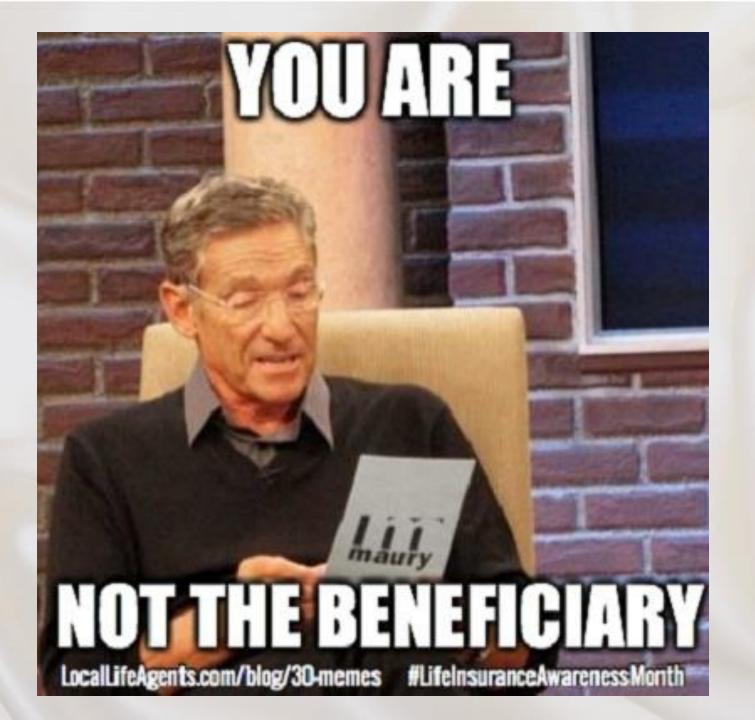
- 1. PROPERTY PASSES WITHOUT PROBATE, MAY GET A STEPPED UP BASIS
- 2. IF JOINT WITH ONLY CHILD, MAY NOT RESULT IN NECESSARY RELATED GIFTS

THE BAD

- 1. IF YOUR JOINT OWNER GETS SUED (EVEN DIVORCED), THEIR PORTION OF YOUR PROPERTY CAN BE SOLD TO SATISFY THE JUDGEMENT.
- 2. IF MORE THAN ONE CHILD, MAY BE CONSIDERED A GIFT FROM THAT ONE CHILD TO OTHER CHILDREN OR MAY CAUSE INFIGHTING AS TO WHAT THE REAL INTENT WAS.
- 3. MAY BE TREATED AS A GIFT AT THE TIME JOINT OWNERSHIP WAS CREATED, IN WHICH CASE NOT STEPPED UP BASIS AND SUBSEQUENT SALE MAY RESULT IN LARGE CAPITAL GAIN TAX.

THE UGLY

MAY BE TREATED AS A DIVESTMENT WHICH CAN RESULT IN MASSIVE PERIODS OF INELIGIBILITY FOR MEDICAID.



TYPICAL BENEFICIARY DESIGNATIONS

A) Life Insurance

B) Retirement Plans

C) POD Financial Accounts

D) Ladybird Deeds



But What If. . . .

- I want to leave money to my grandchildren who are minors?
- My children are not all responsible with money?
- One of my kids might divorce?
- I want to leave things to LOTS of different people?
- I want to be really about who gets my stuff if someone dies before me?
- One of my children or grandchildren has special needs?

You need an Estate Plan

The Documents in a Typical Estate Plan

- 1. Will
- 2. Revocable Living Trust, joint or individual
- 3. Assignment to Trust
- 4. Real Estate Deeds to Trust
- 5. List of Personal Property
- 6. General Durable Power of Attorney
- 7. Springing Durable Power of Attorney
- 8. Patient Advocate Designation (Medical Power of Attorney)
- 9. HIPAA Waiver
- 10. Appointment of Guardian
- 11. Delegation of Parental Authority
- 12. Funeral Representative Designation

OF

JOHN WINSTON ONO LENNON

I, JOHN WINSTON ONO LENNON, a resident of the County of New York, State of New York, which I declare to be my domicile do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all other Wills, Codicils and Testamentary dispositions by me at any time heretofore made.

FIRST: The expenses of my funeral and the administration of my estate, and all inheritance, estate or succession taxes, including interest and penalties, payable by reason of my death shall be paid out of and charged generally against the principal of my residuary estate without apportionment or proration. My Executor shall not seek contribution or reimbursement for any such payments.

SECOND: Should my wife survive me, I give, devise and bequeath to her absolutely, an amount equal to that portion of my residuary estate, the numerator and denominator of which shall be determined as follows:

1. The numerator shall be an amount equal to one-half (1/2) of my adjusted gross estate less the value of all other property included in my gross estate for

26

90

TESTAMENTARY TRUST

A TESTAMENTARY TRUST IS ONE CREATED BY THE WILL OF THE DECEDENT, AFTER DEATH.

These are used by people who do not want a revocable living trust for one reason or another during their lifetime - usually that reason is their idea that they don't have enough assets for a trust, or cannot afford a trust.

These are useful in Medicaid planning, because money held in a testamentary trust for the benefit of a nursing home patient is considered "non-countable" while money held in a trust established during a person's lifetime is countable.

WHY A RERVOCABLE TRUST?

- PLANNED ASSET MANAGEMENT ■
- NO GUARDIANSHIP OR CONSERVATORSHIP
 - NO PROBATE OF DECEASED ESTATE ■
- QUICK AND EASY DISTRIBUTION OF PROPERTY BUT PROTECT PROPERTY FOR BENEFICIARIES UNTIL CERTAIN AGES ■
- LIFETIME CARE OF SPECIAL NEEDS BENEFICIARIES
 - PRIVACY, FLEXIBILITY
 - SAVE MONEY ■
 - POSSIBLE TAX SAVINGS ■



IT'S HARD TO BE A TRUSTEE.

DIRECTIONS REGARDING DISTRIBUTION OF PERSONAL PROPERTY

The undersigned, IMA CI directions with regard to distribution	of articles of personal, domestic, or household use
Under Agreement Dated 201	on II, paragraph 2.2 of the IMA CLIENT TRUST

IMA CLIENT, Grantor

SPECIAL NEEDS TRUST

Stand Alone Trusts

Revocable or Irrevocable

Part of a Grandparent or Parent's Revocable Trust

Elements common to either form:

Purely Discretionary payments

No payments directed for the Beneficiary's health, support or maintenance

All assets from parent, grandparent or other person - not the disabled person's assets

Trust Protector

Termination Provisions

OR MAYBE YOU JUST NEED ABLE – Achieving a Better Life Experience Act

ESTATE TAXES

A person dying in 2018, can leave an unlimited amount to his or her spouse or to charity without paying any estate taxes.

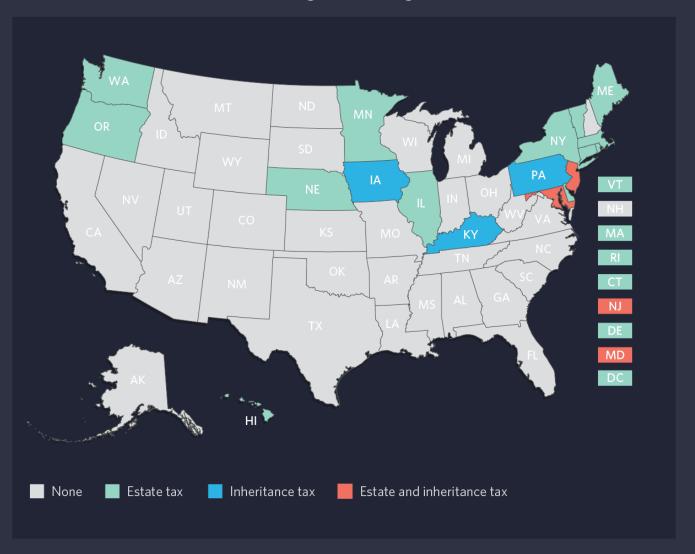
That same person can leave \$11,180,000 to anyone he or she wants, and no estate taxes will be due.

If the first person in a couple leaves everything to his or her spouse or charity, the surviving spouse can leave 22,360,000 to anyone he or she wants without paying any estate taxes.

HOWEVER, in 2026, the exemption goes down to \$5,000,000 adjusted for inflation.

State Estate and Inheritance Taxes, 2017

Nineteen states have estate taxes, inheritance taxes or both. But Delaware and New Jersey will eliminate their estate taxes in 2018, continuing a trend among states to reduce or eliminate such levies.



Source: The Tax Foundation

POWERS OF ATTORNEY

- 1. DURABLE POWER OF ATTORNEY
- 2. SPRINGING DURABLE POWER OF ATTORNEY
 - 3. LIVING WILL
- 4. PATIENT ADVOCATE DESIGNATION
 - 5. HIPAA

(Health Insurance Portability and Accountability Act of 1996)

- 6. PARENTAL CONSENT
- 7. FUNERAL REPRESENTATIVE

DURABLE POWER OF ATTORNEY

I, IMA CLIENT,Føf	nington Hills, County of Oakland, and State of Michigan, hereby appoint UR	A
CLIENT of	Farmington Hills, Michigan, as my attorney-in-fact (herein called Agent)	
with the following powers	to be exercised in my name and for my benefit:	

1. General Grant of Power

To exercise or perform any act, power, duty, right, or obligation whatsoever that I now have or may hereafter acquire, relating to any person, matter, transaction, or property, real or personal, tangible or intangible, now owned or hereafter acquired by me, including, without limitation, the following specifically enumerated powers. I grant to my Agent full power and authority to do everything necessary in exercising any of the powers herein granted as fully as I might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that my Agent shall lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted;

2. Collection Powers

To forgive, request, sue for, collect, hold all such sums of money debts, dues, commercial paper, checks, drafts, accounts, deposits, legacies, devises, notes, interest, stock certificates, bonds, dividends, certificates of deposit, annuities, pension, profit sharing, retirement, social security, insurance and other contractual benefits and proceeds, all documents of title, all property, real or personal, intangible or tangible property and property rights, and demands whatsoever, now or hereafter owned by, or due, owing, payable or belonging to me, or in which I have or may hereafter acquire an interest; to have and take all lawful means and equitable and legal remedies and proceedings in my name for the collection and recovery thereof, and to adjust, sell, compromise, and agree for the same, and to execute and deliver for me, on my behalf, and in my name, all endorsements, releases, receipts, or other sufficient discharges for the same;

3. Real Property Powers

To bargain, contract, agree for, option, purchase, acquire, improve, maintain, repair, insure, plat, partition, safeguard, lease, demise, grant, sell, assign, transfer, remise, release, exchange, convey, mortgage and hypothecate real estate, including power to add descriptions of real estate to this or any other document, and any interest therein and including any interest which I hold with any other person as joint tenants with full rights of survivorship, or as tenants by the entireties, land, tenements, and hereditaments, for such price, and upon such terms and conditions, as my said Agent shall determine;

4. Personal Property Powers

To bargain, contract, agree for, purchase, option, acquire, improve, maintain, repair, insure, safeguard, lease, assign, sell, exchange, redeem, transfer, mortgage, hypothecate and in any and every way and manner deal in and with goods, wares, merchandise, furniture, and furnishings, automobiles, bills, notes, debentures, bonds, stocks, limited partnership interests, certificates of deposit, commercial paper, money market instruments, and other securities, osesin action and other tangible or intangible personal property in possession or in action, for such price, and upon such terms and conditions, as my said Agent shall determine;

SPRINGING DURABLE POWER OF ATTORNEY

We, URA CLIENT and IMA CLIENT, of Farmington Hills, County of Oakland of Michigan, hereby appoint, ISA CLIENT of _______, Farmington Hills, Michigan as our attorney-in-fact (herein called Agent), with the following powers to be exercised in our names and for our benefit:

1. Springing Durable Powers

This Power of Attorney shall only be effective upon our disability, and only in the event we are unable to act under the General Durable Power of Attorneys previously given to each other. For this purpose disability shall be determined by a written certification or certifications of two persons duly licensed to practice medicine in the State of Michigan or in such other state as we shall be then present, that each of them has examined us and determined that we are incapable of acting on our own behalf. Such incapacity shall deemed to cease upon delivery of a similar certification or certifications to our Agent that the incapacity has ceased. Any third party dealing with our Agent may rely upon a copy of any such certification or certifications as to our disability in dealing with our Agent and shall not be required to make an independent determination of disability. Any such third person may further rely on a statement by our Agent that the disability has not ceased in dealing with our Agent.

2. General Grant of Power

To exercise or perform any act, power, duty, right, or obligation whatsoever that we now have or may hereafter acquire, relating to any person, matter, transaction, or property, real or personal, tangible or intangible, now owned or hereafter acquired by us, including, without limitation, the following specifically enumerated powers. We grant to our Agent full power and authority to do everything necessary in exercising any of the powers herein granted as fully as we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that our Agent shall lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted;

3. Collection Powers

To forgive, request, sue for, collect, hold all such sums of money debts, dues, commercial paper, checks, drafts, accounts, deposits, legacies, devises, notes, interest, stock certificates, bonds, dividends, certificates of deposit, annuities, pension, profit sharing, retirement, social security, insurance and other contractual benefits and proceeds, all documents of title, all property, real or personal, intangible or tangible property and property rights, and demands whatsoever, now or hereafter owned by, or due, owing, payable or belonging to us, or in which we have or may hereafter acquire an interest; to have and take all lawful means and equitable and legal remedies and proceedings in our name(s) for the collection and recovery thereof, and to adjust, sell, compromise, and agree for the same, and to execute and deliver for us, on our behalf, and in our name(s), all endorsements, releases, receipts, or other sufficient discharges for the same;

4. Real Property Powers

To bargain, contract, agree for, option, purchase, acquire, improve, maintain, repair, insure, plat, partition, safeguard, lease, demise, grant, bargain, sell, assign, transfer, remise, release, exchange, convey, mortgage and hypothecate real estate,

ADVANCE DIRECTIVE LIVING WILL AND HEALTH CARE PROXY

eath is a part of life. It is a realty like birth, growing and aging. I am using this advance directive to convey my wishes about medical care to my doctors and other people looking after me at the end of my life. It is called an advance directive because it gives instructions in advance about what I want to happen to me in the future. It expresses my wishes about medical treatment that might keep me alive. I want this to be legally binding.

If I cannot make or communicate decisions about my medical care, those around me should rely on this document for instructions about measures that could keep me alive.

I do not want medical treatment (including feeding and water by tube) that will keep me alive if:

- I am unconscious and there is no reasonable prospect that I will ever be conscious again (even if I am not going to die soon in my medical condition, or
 - I am near death from an illness or injury with no reasonable prospect of recovery.

I do want medicine and other care to make me more comfortable and to take care of pain and suffering. I want this even if the pain medicine makes me die sooner.

I want to give some extra instructions: [Here list any special instructions, e.g., some people fear being kept alive after a debilitating stroke. If you have wishes about this, or any other conditions, please write them here.]

The legal language in the box that follows is a health care proxy. It gives another person the power to make medical decisions for me.

I have discussed my wishes with my health care proxy, and with my second choice if I have chosen to appoint a second person. My proxy(ies) has (have) agreed to act for me.

I have thought about this advance directive carefully. I know what it means and want to sign it. I have chosen two witnesses, neither of whom is a member of my family, nor will inherit from me

I name, who lives at, to make medical decisions for me if I c make them myself. This person is called a health care "surrogate," "agent," "proxy," o "attorney in fact." This power of attorney shall become effective when I become incap of making or communicating decisions about my medical care. This means that this document stays legal when and if I lose the power to speak for myself, for instance, if I a coma or have Alzheimer's disease.	r pable
My health care proxy has power to tell others what my advance directive means. This person has power to make decisions for me based either on what I would have wanted, this is not now, on what he or she thinks is best for me.	or, if
If my first choice health care proxy cannot or decides not to act for me, I name, who lives at, as my second choice.	umber



DURABLE POWER OF ATTORNEY WITH DIRECTIONS FOR HEALTH CARE, DESIGNATION OF PATIENT ADVOCATE, AND APPOINTMENT OF PERSONAL REPRESENTATIVE UNDER HIPAA OF IMA CLIENT

I, IMA CLIENT, a resident of Farmington Hills, Oakland County, Michigan, on the day of 2017, hereby designate URA CLIENT to serve as my Agent, and to exercise the powers set forth below. By this instrument I intend to: (1) create a Durable Power of Attorney and appoint a Patient Advocate under Section 700.5506–700.5512 of the Estates and Protected Individuals Code, being Section 700.5506–700.5512 of Michigan Compiled Laws; (2) authorize my Agent, at all times, to have access to my medical records and obtain individually identifiable health information; and (3) authorize my Agent to act as my personal representative under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

- 1. **Powers of My Agent** . My Agent is authorized in my Agent's sole and absolute discretion from time to time and at any time with respect to my personal and medical care, as follows:
 - a. **Funeral Arrangements** . To make advance arrangements for my funeral and burial, memorial service or cremation, including the purchase of a burial plot and marker, and such other related arrangements, as my Agent deems advisable.
 - b. **Anatomical Gifts** . To make anatomical gifts that will take effect at my death to such persons and organizations as my Agent shall deem appropriate and to execute such documents and do such acts as shall be necessary, appropriate, incidental or convenient in connection with such gifts.
 - c. Access to My Medical and Other Personal Information . To request, review and receive any information, verbal or written, regarding my personal affairs or my physical or mental health, including medical and hospital records, and to execute any releases or other documents that may be required in order to obtain this information.
- 2. **Powers of My Patient Advocate** . My Agent, when acting as my patient advocate, is authorized in my Agent's sole and absolute discretion from time to time and at any time with respect to my personal and medical care, including mental health treatment, to make each and every judgment necessary for the proper and adequate care and custody of me;

To exercise or perform any act, power, duty, right or obligation whatsoever that I now have or may hereafter acquire, relating to my person, to provide for my care and custody, and to make decisions relating to any and all health services, including, without limitation, the following specifically enumerated powers.

a. Access to My Medical and Other Personal Information . To request, review and receive any information, verbal or written, regarding my personal affairs or my physical or mental health, including medical and hospital records, and to execute any releases or other documents that may be required in order to obtain this information.

AUTHORIZATION TO RELEASE MEDICAL RECORDS AND INFORMATION WAIVER OF PRIVACY

10.					
	IMA CLIENT	, whose address is	, states:		
1. 1. 2.	Disclose any and Provide copies of medical history a prognosis, copies	f all documents and records in and findings, consultations, pre of all hospital, medical and bi	past and current medical treatment and your possession regarding my medical escriptions, treatments, x -ray illing records.		
	1	URA CLIENT	ISA CLIENT		
 4. 		e Information . You are entified in paragraph 2. above. This Authorization contains no	authorized to provide the information i	d entified in this document at the re	equest of the individual
5.	Authority to Re	voke . The undersigned re	eserves the right to revoke this authorizersigned, and dated. The revocation will		his authorization, the to you.
6.	Redisclosure .		tion disclosed by reason of this		closure by the recipient and
7. 8.	Photostatic Cop	ies . A photostatic copy of	f this Authorization shall be considered	as effective and valid as the original. I am signing this document voluntarily.	
9.	Privacy Waiver under the authori successor to that providing access	. With regard to this disclosty of the Health Insurance Port Act, or any similar state or fed to my medical records under the	sure of information authorized in this detability and Accountability Act of 1996 leral act, rule or regulation that might of	ocument, I waive any right of privacy that , Public Law 104 - 191 (HI therwise prevent any health care n any claim of liability under such act, r	I may have IPAA), any amendment or provider from ule or t.
	regulation, any in	ledical provider who provides	access to my medical information and i	ecords under this documen	ι.
Dated:	, 2	2017			
CT A TE	OFMICHICAN		IMA CLIENT		
	OF MICHIGAN TY OF OAKLANI	D)			
who ex	On this ecuted the foregoin	day of g instrument and acknowledge	, before me personally appeared IMA ed that said person executed the same a		erson described in and
Notary	Public				

TO:

Knock knock
Who's there? ~~HIPPA
HIPPA who?

Sorry, I can't tell you THAT





DELEGATION OF PARENTAL POWERS

We,	and	of
	, Michigan, desire to leave o	
children,	whose address is —, Michigan (herein called "Agent"); we de	
, in the care and custody of	whose address is —	
A	, Michigan (herein called "Agent"); we de	esire to vest in
our Agent and each of them full power	s as a substitute parent in our absence; we he	ereby vest
in our Agent full power to do anything	and everything required for the children's c	are; and we
	in Fact for us, in our name and on our behalf	
	n behalf of our said children, including, but	not limited
to the following:		1/
	y medical care, diagnosis, surgical procedure	e and/or
other treatment of any type or nature;	v doutel mass doue.	
2) Give parental consent to an		
	ne admission to any hospital or medical center	
	e use of any drugs, medication, therapeutic d	evices, or
other medicines or items related to the	e and authorize all acts with respect to our c	hilduanla
	Il amounts in connection therewith the same	
could do; and	if amounts in connection therewith the same	as we
	I things we as a parent might do on behalf of	fenid
children, except the power to consent to		i saiu
	o adoption of marriage.	
our children's doctor is		
Phone number:		
	oncerning our children are located at	
Our medical/hospital insurance	carrier is	
This Delegation of Parental Po	wers is given pursuant to MCL 700.510.	3, and this
power expires, 2017.		
We have signed and delivered	this Delegation of Parental Powers this	day of _
Witnesses:		





Now you can specify who will be allowed to make funeral and burial decisions for you when you die.

Until 2016, your closest living family members were the only people who could make arrangements for your funeral and burial.

Hyatt Legal Plan

What is covered?

Wills

Trusts (not tax planning)

Powers of Attorney

Deeds for real estate (not rental properties)

Sale of Real Estate by Owner

Prenuptial Agreements

What is "sort of" covered?

- -Probate
- -Divorce
- -Consumer Disputes
- -Elder Law

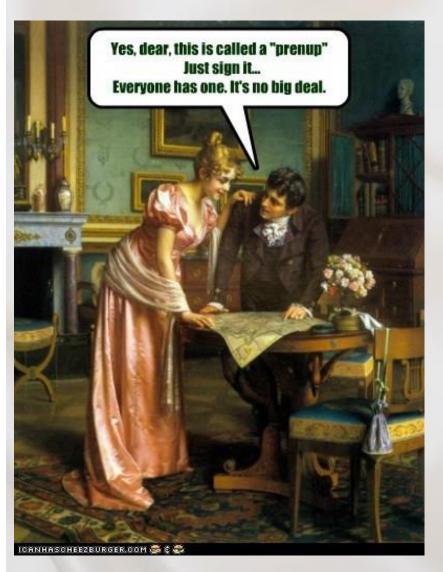
Medicaid Exempt Assets

- ♦ Your Home(Must be in your own name and not in a trust)
- ♦ Your Car (one motor vehicle)
- ♦ All household goods and personal goods(i.e furniture, televisions, audio equipment, computers, grooming articles, musical instruments, jewelry.)
- ♦ Your prepaid funeral and burial arrangements
- ♦ Unavailable assets including some jointly held assets.
- ♦ If you or your parent is a beneficiary of a "sole benefit trust", even one that has been approved for Medicaid qualification in the past, you need to consult an attorney.

During the calendar year 2018, the community spouse may retain \$123,600 or ½ of the value of countable assets, whichever is less, down to a minimum of \$24,720. The divestment deviser is now \$8,261.

Making gifts without consulting with an attorney first is not recommended.

NUPTIAL AGREEMENTS



If you have assets that you want to be sure go to someone other than your spouse or if you have children from a first marriage, you should consider a prenuptial agreement.



GIFTS



- 1. ANNUAL EXEMPT GIFTS \$15,000.00 TO EACH RECIPIENT
- 2. THE FIRST \$11,180,000.00 OF DONOR'S LIFETIME GIFTS EXEMPT FROM TAX
- 3. UNLIMITED EXEMPT GIFTS MAY INCLUDE EDUCATIONAL OR MEDICAL EXPENSES, SPOUSAL GIFTS AND CHARITY GIFTS
- 4. GIFTS IN EXCESS OF \$15,000.00 REQUIRE A GIFT TAX RETURN.
 - 5. UNIFORM TRANSFERS TO MINORS ACT OF MICHIGAN
 - 6. 529 ACCOUNTS (College Savings and ABLE)
 - 7. WHAT TO GIVE AWAY AND WHO TO GIVE IT TO

