

SPANNING THE GLOBE TO BRING YOU THE CONSTANT VARIETY OF SNAFU

WIDE WIDE WORLD OF SHORTS (SHORT ANSWERS!)

THE THRILL OF LEGACY, THE AGONY OF PROBATE

NOTE: THESE QUESTIONS ARE FROM REAL PEOPLE. UNEDITED. THE GLITCHY GRAMMAR, STRANGE SPELLINGS, PROBLEMATIC PUNCTUATION AND OTHER OFFENSES AGAINST LITERACY APPEAR IN THE ORIGINAL QUESTIONS. UNEDITED.

My mother is in a nursing home, she is now almost out of money and we will be applying for medicaid soon. while we are working to get medicaid. and while the cash is gone, can the nursing home kick mom out for non payment? second question. medicaid is looking at moms money from present to 5 years back. about 6or 8 years ago an account was open in my nieces name. my mom is the second name on this account, can they also take this money?

Koncerned Kid

Dear Koncerned: Question #1: Once the Medicaid application is complete, with all 300 pages of attachments, Medicaid still has 45 days to respond. And it is often much longer. No surprise to the nursing home. No big deal. They will wait. A skilled nursing facility is much like a hospital when it comes to pay and refusing services. Government requires that the hospital and the home MUST provide services. Even if they do not get paid. Sure, there is a “kick mom out” procedure if she does not pay. But “involuntary separation” is complex and difficult for the home. And they always lose. So the nursing homes hardly ever bother. The Result: HUGE bad debts that will never be paid. HERE’S A THOUGHT: Ever wonder why nursing homes and hospitals are so expensive for us middle class folks? Gee... Maybe all the “free” services have something to do with why nursing homes cost \$400 per day and a hospital aspirin is \$12? [Who’s up for “free” college?]

Question #2: If mom’s name is on an account, caseworkers figure mom must own the money. Not true, of course, but that is how they think. If you can prove that the money came from the niece (or other person on the account)... hurrah! If not, too bad, so sad.

The absolute worst is when mom, dad, son, daughter, niece, nephew, butcher, baker, candlestick maker all put their social security, pension, IRA distribution, paycheck and everything else into the same account. And then pay the bills. Good luck, Chuck! Now Medicaid counts the same money against different folks. Nightmare! Do not put all the money together. Keep it separate.

Can I stop the sale of a house?

Rough situation: Grandmother is dead, Grandfather has pretty far along Alzheimer’s disease.

Aunt, who has power of attorney is trying to sell the house to a neighbor, and wants to tell the neighbor if any of us are interested so that they “know they have competition” something that will likely drive the price unreasonably high. Is their any legal mechanism to injunct the sale of the house to allow those of us, including myself in the family who are interested in purchasing it for fair market value to do so before it goes to the market?

Sale Stopper

Dear Stopper: Medicaid absolutely requires that Aunt sell the house for fair market value. If she fails, Medicaid will hit Grandfather with a penalty period. “So what the heck is ‘fair market value’?” I hear you say. Well, there are many definitions.

My favorite says: Fair Market Value is the price that would be paid by a willing Buyer and a willing Seller with knowledge of all relevant facts.

You may not like that the housing market seems overheated. It sure seems that way to me! Time and again, several buyers will make multiple offers on a single property... and ALL of them higher than the listing price! But that simply IS the market.

The State says different. Every year you get a tax statement on your house with an assessment. By the state Constitution, that assessment (the “SEV”) is supposed to be one-half of your home’s Actual Cash Value. Everybody knows that is just bunk. You would never sell your house for twice the SEV. And neither will anyone else.

So there is only one way to find out what the Fair Market Value actually is. Put it on the market. Find out what other people would pay for the house. Simple as that.

ANSWER TO THE QUESTION YOU DID NOT ASK: Should we sell the homestead, when Grandfather is likely to need Medicaid? No! What Einstein came up with THAT idea? Oh... It was in a video on the Internet... Please tell me you are not falling for that! Er, uh, I mean... Selling the homestead is more than likely an ill-advised course of action. Harumph.

Sell homestead. Spend money for services Medicaid would pay for. Huh? It is possible, however unlikely, that this is a great idea, a brilliant strategy. But I doubt it. Consider that the homestead is a store of value. Leverage it to provide additional services to Grandfather while he is on Medicaid. Call me and I will happily explain in more detail.

What are the tax consequences of caring for my parents (both in hospice) and accepting funds from them from their ssi and saving

My brother and his wife now care for our parents in there home. They have health care poa, I have financial poa. I have agreed to pay them from my parents ssi and savings \$10000 per month for the services. They are not trained care givers. I am concerned about tax consequences both employment as payee and as income for my brother.

Care Medicaid Taxes

Dear CMT:

Tax Question You Asked: Any money you pay to brother or his wife to provide services for mom and dad will be taxable income. Brother and Wife will have to pay federal, state, local income taxes. Plus federal self-employment tax. Did I mention Workers' Compensation and Unemployment Taxes? And now that we have COVID, there's a whole new raft of requirements. See IRS Publication 926, Household Employer's Tax Guide. Enjoy!
<https://www.irs.gov/pub/irs-pdf/p926.pdf>

Depending on how you set it up, these burdens will descend on your brother and sister-in-law and/or on your mom and dad. Yes. It is a nightmare.

Medicaid Question You Did Not Ask: Congratulations! You jumped through all the tax hoops necessary to hire family members! Paid all the additional costs. Filed all the paperwork. Now you are an expert! But what about Medicaid?

Unfortunately, even though you already complied with a telephone book's worth of rules and regulations, you are not done yet. You must submit to Medicaid. If you do not, every nickel legitimately paid for services will be treated as a Medicaid gift. You read that right: Does not matter that you paid taxes, insurance, etc. All those dollars are a gift in the eyes of Medicaid.

Funny thing about the Medicaid rules for paying family members. I do not believe it is possible to comply with them. At least I have never seen anyone comply with these rules. And I believe that is on purpose. Medicaid does not like folks paying family members for care. That was a policy decision made years ago. And we are living with it today.

P.S. There is a Medicaid program of limited scope that will pay family members to be caregivers. But family members cannot pay family members without creating a penalty period. Generally speaking.

Can a person make you sell your primary residence that was left in a will to 2 unrelated people?

My mom's husband died and left the home equally to her and to his grandson. This has been her primary residence for 25 years. The grandson is trying to make her sell it and move. But she wants to refinance buy him out. But he doesn't want to do that.

How Sharper Than A Serpent's Tooth, An Ungrateful Grandchild!

Dear Sharper:

Can Greedy Grandchild evict Sainted Spouse? Maybe. (Don't you hate that word?) Depends. (Another hateful word!) But in every legal matter, the actual words matter.

Maybe the Will is painfully simple. Let's say the Will only states that the remaining property is divided between Surviving Sainted Spouse and Grasping Greedy Grandchild. Nice and simple, right? Thank goodness those lawyers did not make it all confusing and hard to understand.

Well, the simple truth is that now GGGrandchild can get the Probate Court to evict SSSpouse. And then sell the property. And then divide the money. Whoops! Where is SSSpouse supposed to live now? Did Old Grand-dad intend to throw his beloved to the wolves? Kick her to the corner?

Maybe the Will is a little more complex. What if the Will states that SSSpouse and GGGrandchild are joint tenants with rights of survivorship. Whoops Again! GGGrandchild cannot evict his step-grandmother (if there is such a thing), but he can now move into the homestead. With his Great Dane. And all his biker-gang friends. Old Grand-dad has a lot to answer for!

Perhaps the Will excludes Grasping Greedy Grandchild by giving Surviving Sainted Spouse an exclusive life estate. She alone can live in the homestead. Until she dies. But then she goes to a long-term care facility. And for the next 10 years, until she passes, no one lives in or uses the homestead. Except a few lonely raccoons. And a bat or two. Whoops yet Again! Because no-one is paying the taxes, the city takes the house. Because no one is living there, it becomes a crack house. Because no one is paying the insurance, it burns to the ground.

On the other hand, Old Grand-dad was a sharp old bird, a crafty codger was he. He put together a LifePlan™. No worries with long term care. At-home care. Assisted Living. Skilled Nursing. No problem!

Yes, there are more words in a LifePlan™. Some folks find it confusing. Truth! But now the results are tailored to the need.

The LifePlan™ provides a Residence Trust for the Surviving Sainted Spouse. She lives there as long as she maintains the property. Pays the taxes. Buys the insurance. What if she needs skilled care at a nursing home or assisted living facility? Now the house can be sold. The cash proceeds are held in trust to supplement the Medicaid benefits she receives. And GGGrandchild? He gets his share. Sooner, rather than later. When all the needs have been met.

It does take work to get it right. Albert Einstein supposedly said. "Things should be as simple as possible. But not more simple." So it is with your LifePlan™. It is as simple as possible. While being as secure as possible.

LIFE-PLAN™ SALVATION FOR THE MIDDLE-CLASS

The rich do not need me. The poor I cannot directly help. That leaves you. Regular folks. The middle-class savers, workers, builders are the ones who benefit from LifePlanning™. You choose the path of reasonable optimism, while guarding against the potential downsides. Hope for the Best, Plan for the Worst.

The LifePlan™ approach is the least expensive, most effective solution to the harsh reality of long-term care. Open your eyes to long-term care costs. Accept reality. Refuse to allow your lifesavings evaporate like a snowflake on a hot griddle. Recognize the reality of the caregiver spouse dying first, almost half the time and fix it. Reject nursing home poverty.

NOT CHANCE, YOUR CHOICE
UNCOVER THE ELEPHANT!

There is nothing inevitable about nursing home poverty. Peace of mind and security are waiting for you. Right now. It is a choice. Despite what "everybody else" says. Despite their attempts to disguise the elephants in the room. For over thirty years, people have told me, "I've never heard of this before!" "If this is real, why doesn't everyone do it?" "My lawyer/financial advisor/brother-in-law/accountant/tax person/banker/best friend/fill-in-the-blank never said anything like this..."

Well, here you are. Now you know. No excuses. Get the information, insight, inspiration. It is your turn. Ignore the message? Invite poverty? Or get the freely offered information. To make wise decisions. For you. For your loved ones.

NO POVERTY. NO CHARITY. NO WASTE.
It is not chance. It is choice. Your choice.

Get Information Now.

800-317-2812