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Special needs require special lawyers.

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TEN REASONS TO CREATE OR UPDATE YOUR ESTATE PLAN NOW

Who will manage your assets, affairs, or healthcare in the event of your disability or death? The AARP reports that only 60% of individuals over the age of 50 years have wills, 45% of these people have powers of attorney, 30% of these people have advance medical directives, and only 23% have living trusts. These statistics indicate that most people fail to create a comprehensive estate plan, and of those who have completed their estate planning, odds are they haven't reviewed or updated their plans in years. Prior planning produces positive results upon disability or death. Failing to plan is planning to incur unnecessary problems, delays, taxes, and expenses.

Many people think that having an estate plan is not necessary because they think either they are too young or they don't have enough assets. However, as the following list from an ElderLawAnswers.com article illustrates, estate planning is for everyone, regardless of age or net worth.

1. **Loss of Capacity.** What if you become incapacitated and unable to manage your own affairs? Without a plan, a court will select a person to manage your affairs through often costly guardianship/conservatorship proceedings. With a plan, you can use a power of attorney to select that person.
2. **Minor Children.** Who will raise your minor children in the event of your death? Without a plan, a court will make the decision. With a plan, you are able to nominate the guardian of your minor children.
3. **Dying Without a Will.** Who will inherit your assets upon your death? Without a plan, your assets will pass to your heirs according to state intestate laws. Your family members (perhaps ones that you would not choose) will receive your assets without the benefit of your direction or of trust protection. With a plan, you decide who gets your assets.
4. **Blended Families.** What if your family is the result of multiple marriages? Without a plan, children from different marriages

- may not be treated as you would want. With a plan, you determine what goes to your current spouse and to the children from a prior marriage.
5. Children with Special Needs. Without a plan, a child with special needs risks being disqualified from receiving Medicaid or SSI benefits and may have to use his or her inheritance to pay for care. With a plan, you can establish a special needs trust that will allow the child to remain eligible for government benefits while using the trust assets to pay for non-covered expenses.
 6. Keeping Assets in the Family. Would you prefer that your assets remain in your own family? Without a plan, your child's spouse may wind up with your money if your child dies prematurely. If your child divorces his or her current spouse, many of your assets could go to that spouse. With a plan, you can set up a trust that ensures that your assets will stay in your family and pass to your grandchildren.
 7. Financial Security. Will your spouse and children be able to survive financially? Without a plan, and the income replacement provided by life insurance, your family may be unable to maintain its current standard of living. With a plan, life insurance can mean that your family will enjoy financial security.
 8. Retirement Accounts. Do you have an IRA or similar retirement account? Without a plan, the designated beneficiary of your retirement account funds may not reflect your current wishes and may result in burdensome tax consequences for your heirs. With a plan, you can choose the "best" beneficiary.
 9. Business Ownership. Do you own a business? Without a plan, you don't name a successor, thus risking that your family could lose control of the business. With a plan, you choose who will own and control the business after you are gone.
 10. Avoiding Probate. Without a plan, your estate may be subject to delays and excess fees (depending upon your state), and your assets will be a matter of public record. With a plan, you can structure your affairs so that probate may be avoided entirely.

The attorneys at Oast & Hook can assist clients and their families with their estate, long-term care, financial and insurance planning.

Ask Allie

O&H: Allie, we've heard about a unique program involving senior citizens and cats. Please tell us about it.

Allie: Sure! The Animal Welfare League of Montgomery County, Maryland, (AWLMC) has created a program called Seniors for Seniors. The program matches senior citizens with senior cats. The AWLMC encourages the seniors to serve as foster parents first, and then to adopt if they feel comfortable. Some rescue groups are reluctant to let senior citizens adopt pets because they worry about the cats' long-term care. AWLMC has solved this problem by agreeing to take back the cat and find it another home if the elderly person is no longer capable of caring for it. The group gives lectures at assisted living facilities and actively recruits seniors to become foster parents. In the five years that the group has been operating, they have saved and found homes for over 600 cats.

To learn more about the AWLMC, please visit www.awlmc.org. What a great idea! I'm glad my Oast & Hook family found the right mom for me when I retired from the office. Now it's time to find her and play...or maybe take a nap. See you next week!

Announcement

Oast & Hook attorney Brian Boys will speak at the monthly meeting of the Norfolk Retired Employees Association from 10:30 a.m. to 11:00 a.m., Friday, June 25th at the Titustown Recreation Center, 7545 Diven Street, Norfolk, Virginia 23505. For more information on this organization, please visit www.norfolk.gov/retirees.

Distribution of This Newsletter

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