

This Weekly Newsletter
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HOOK LAW CENTER
Legal Power for Seniors

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Beneficiary Form Cautions

by Maureen E. Hook, Ph.D.

Beware of whom you designate as a beneficiary for your bank, brokerage, or retirement account. Even if you have a will, these designations override the will. There are advantages to this separate designation process--just be sure you know what you are doing. When you open one of these financial accounts, you have the option of designating a beneficiary, who may or may not be included in your will. The advantage is that upon your death, the assets pass directly to these beneficiaries bypassing the probate process. This is a nice feature, but just make sure those prior designations continue to reflect your current wishes. If you intended at the time of making a will of having your entire estate pass equally to your children, a prior designation of a sibling on a retirement account, for example, will still be in effect unless it was changed. The funds in the retirement account in that situation would go to the sibling, not your children. Martin Shankman, an estate-planning attorney in Paramus, NJ has seen such situations occur so many times that he calls the beneficiary designation on financial instruments "bank-teller estate destruction."

So to avoid these horror stories, financial planners and attorneys recommend that you review all of your beneficiary designations at regular intervals, but at a minimum, when there is a life-changing event such as a birth, marriage, divorce or death. Retirement accounts are particularly complex. If the beneficiary is a spouse, who dies before you, the funds in that account on the holder's death, will flow to the estate, triggering a large tax bill. For retirement accounts, it is recommended to have contingent beneficiaries, who will become the beneficiaries, if the primary beneficiary is no longer living. Taxes, in this way, can be reduced. Changing jobs also qualifies as a significant live event. If you have a 401(k) retirement account with one employer, the beneficiary designations

Beneficiary Form Cautions (con't)

do not automatically roll over to the new employer's plan or to an IRA.

Whom, then, should you name as a beneficiary? Just about anyone you choose, but not minors, people with disabilities, people who lack the ability to manage money or have credit problems, or people with marital problems. These categories are much better dealt with through trusts, which protect the individuals from their own mismanagement, loss of property to creditors or in-laws, undesirable tax consequences, and potential loss of public benefits. Sometimes, it is wise to name a class of people, like "all my grandchildren who survive me", rather than naming specific individuals. Then, as more grandchildren are born, the designations do not continually have to be updated. However, step-grandchildren are an exception to this rule. They need to be designated by name. (All information from Carolyn T. Geer, "Beware the Beneficiary Form," Wall Street Journal, July 5, 2011)

As one can see, these issues are very complicated. It is wise to seek advice from experts like the attorneys at Hook Law Center who are very informed about all these issues.



Cats at the Courthouse

Hook Law Center: Kit Kat, are cats really living in a courthouse?

Kit Kat: Yes, they really are. There are 2 cats living in a courthouse in Lebanon (Boone County), Indiana. Their names are Boone (a male) and Panda (a spayed female who's black and white like a Panda). No one is complaining either. The officials at the courthouse not only know about them, they are actually grateful that they're there. You see, Boone and Panda are working cats that keep pigeons away from the dome of the courthouse. It also seems to have a beneficial effect for the whole town as well. Apparently, what they do is keep watch at the windows in the dome and that is enough to keep the pigeons at bay. Pigeons can really be destructive in old buildings with towers or domes that are mostly constructed of wood. St. Paul's Catholic Church in downtown Portsmouth, VA had to rebuild their bell tower after years of pigeon droppings that had eaten away at the wood.

Cats at the Courthouse (con't)

Boone and Panda were taken in as kittens They live in the dome of the courthouse. Staff there feed them and clean their litter daily, though there is a kitty door so they can go and come at will. According to Maintenance Director, Mike Miller, they have saved the county thousands of dollars in cleanup and staff pay. Those are some smart cats who are earning their keep, and helping an entire town in the process! (http://fox59.com/2013/02/27/boone-county-uses-cats-to-keep-courthouse-clean/?hpt=us_bn9)



Please visit www.hooklawcenter.com to check out our new site.



The screenshot shows the Hook Law Center website homepage. At the top left is the logo 'HOOK LAW CENTER'. To the right, it says 'CALL TODAY: 757-399-7506'. Below that are navigation links: 'Our Firm', 'Our Services', 'Resources', 'Contact Us', and 'Blog'. The main heading is 'Comprehensive Planning. Lifelong Solutions.' followed by a sub-headline: 'We help seniors, disabled individuals and their families navigate the legal maze and implement plans to secure their futures.' A yellow button says 'Speak with an Attorney'. Below this is a navigation bar with links for 'Home', 'Seminars', 'FAQ', 'Newsletters', 'Publications', and 'Fees'. A social media bar includes 'ASK KET KAT' and icons for Facebook, Twitter, and LinkedIn. The main content area states: 'Hook Law Center is a pioneer in elder law, assisting seniors and their families, disabled persons and advocates across Hampton Roads with comprehensive planning, life care services and legal representation.' Below this is a section for 'Legal and Planning Services' with a numbered list '1 2 3 4 5 6 7 8 9' and a 'Featured Video' section. The video section includes a thumbnail for 'Estate Planning' and the text: 'Hook Law Center can help ensure that a lifetime of hard work will benefit you during your lifetime and your loved ones after your'. To the right of the video is the text 'Oast & Hook is now: HOOK'.

F A Q

When can I file a Medicaid Application?

For a single individual, a Medicaid application can be filed when you have entered a nursing home, your countable resources have been reduced to below \$2,000 and after all periods of ineligibility have expired. For a married couple, a Medicaid application can be filed when the institutionalized spouse's countable resources have been reduced to below \$2,000 and the Community spouse's assets have been reduced to the appropriate CSRA limit.

Upcoming Events

- Hook Law Center is presenting a seminar on Estate and Long Term Care Planning to NARFE (National Active & Retired Federal Employees) Churchland Chapter 129 at Dennis' Steak and Spaghetti Restaurant, 3356 Western Branch Blvd., Chesapeake, VA on **April 9, 2013 at Noon**.
- Hook Law Center is presenting a seminar on Estate and Long Term Care Planning at Sentara Princess Anne Hospital, 2025 Glenn Mitchell Drive, Virginia Beach, VA 23456 on **April 24, 2013 at 5:30 p.m.**
- Hook Law Center will be presenting a seminar on Estate Planning and Long-Term Care Planning at Lake Prince Woods, 100 Anna Goode Way, Suffolk, VA 23434 on **May 3, 2013 at 2:00 p.m.** Please rsvp by calling 757-774-5191.
- Hook Law Center will be presenting a seminar on Estate Planning and Long-Term Care Planning to the Portsmouth Area Chapter of the Military Officers Association at the Hilton Garden Inn in Suffolk on **May 9, 2013 at 8:00 p.m.**
- Hook Law Center will be presenting a seminar on Estate and Long Term Care Planning at Sentara Virginia Beach General Hospital, 1060 First Colonial Road, Virginia Beach, VA 23454 on **May 20, 2013 at 6:30 p.m.**
- Hook Law Center will be speaking on Reducing Medicare Liens at the Virginia Trial Lawyers Association meeting in Virginia Beach on **May 21, 2013 at 3:00 p.m.**
- Hook Law Center will be presenting at the VSB Trusts and Estates Section - Virginia State Bar - 75th VSB Annual Meeting in Virginia Beach on **June 14, 2013**.

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