



Smart Planner



What is a life estate?

A life estate is an interest in real estate that allows an individual—called the “life tenant”—to reside on the property for their lifetime. The life tenant must pay all carrying charges (real estate taxes, utilities, insurance, etc.) as consideration for the right to reside on the property, and their interest extinguishes at the time of death, at which point the record owners take unrestricted title to the property.

Life estates are most often created to ensure that future generations may retain the family home – and have the added benefit of avoiding probate.



4 Things to Know Before Applying for Medicaid

Applying for Medicaid benefits can be overwhelming – and, there’s a lot you need to know!

Here’s some important information to help get you started:

1. Collect all the necessary paperwork, including:

- Birth certificates, marriage certificate, divorce decree, and power of attorney
- Life insurance policies, pre-paid funeral contracts, car registration
- Last 5 years of bank statements for all accounts and last 5 years of tax returns (and track all transactions of \$5,000 or more)
- Verification of income from Social Security, pensions, employment, rental income, veteran’s benefits, etc.
- Health insurance card and verification of monthly premium
- Complete all the Department of Social Services (DSS) forms

2. Review Medicaid’s general eligibility rules, which consist of:

- Assets must be \$1,600 or less on the last day of each month that you’re seeking eligibility
- Jointly-held assets are presumed to be owned solely by the Medicaid applicant
- A home is an exempt asset if:
 - Applicant is expected to return home from long-term care
 - Spouse or child under 21 lives there
 - Disabled child, of any age, lives there
- Allowance of an irrevocable burial contract of up to \$10,000
- Allowance of up to \$1,500 face value of life insurance
- The state cannot “look back” more than 5 years from the date of the application



(continued)

GIFTING ASSETS to Your Grandchildren



Just when you think you've reached a point in life where you know exactly what love is, along come grandchildren.

If you are fortunate enough to have the ability to gift financial assets to your grandkids, there are a lot of different ways to legally sidestep taxes for both you and your grandchildren.

Cash is King.

The simplest approach is to give an outright gift. In 2022, you can give each grandchild up to \$16,000 a year without having to report the gifts, and without the gift counting as taxable income for the grandchild. If your grandchild invests the gifted money, any earnings on that investment will be taxable.

Pay for educational or medical costs.

There is no limit on how much you can gift if you are paying for either school tuition or medical fees. (And that's on top of the annual \$16,000 allowed in 2022 as a direct cash gift). The only catch is that you must pay the school or medical provider directly.

Make gifts to a custodial account or a trust.


If your grandchildren are very young (and even if they are pretty grown up), it's wise to put the money somewhere for safekeeping to avoid the tragedy of a grandchild squandering funds either intentionally or due to an unwise decision. Parents can establish a custodial account for a minor child, or you can set up a trust with your grandchild as the beneficiary.

Set funds aside for higher education in a 529 account.

If your wish is to gift college tuition but your grandchild is still in diapers, you easily reduce your taxable estate while allotting funds for your intended purpose by setting up a 529 account.

Go traditional with IRAs and savings bonds.

A custodial Roth IRA gives you a place to gift funds in a way that is controlled until your grandchild is 18.

A Series I savings bond is another convenient gifting choice that is backed by the U.S. government, and which – if used to pay for college – represents a tax-free gain. 

Applying for Medicaid in Connecticut (continued)


3. Be aware of what the spouse can keep.

The spouse living at home can keep:

- A maximum of \$137,400 or a minimum of \$27,480
- The house and one car
- Some/all of institutionalized spouse's income, which can be diverted to well spouse

4. Spending down is a possibility

If you need to spend down your money for Medicaid eligibility, the following can be purchased without a penalty:

- Pre-paid funerals
- TV, computer
- Home improvements, furniture
- Clothing, dentures, hearing aid, glasses 

5 GOOD THINGS About Getting Older

Getting older definitely has its perks. We just need to do a better job of recognizing and appreciating them.

Here are 5 good things to remember when it comes time to add another candle on your birthday cake!

1 Fewer Garden-Variety Ailments

We won't pretend that life as a senior is free from aches and pains, but what a lot of people don't realize is that older folks tend to suffer less from some of life's more annoying illnesses such as allergies and migraines.

2 Clearer Priorities

The more you experience in life, the more you know what you like and what you don't like, what you need and what you don't need. And, as you get older, you realize that life really

is short, so you're less likely to waste your time with people, activities, or pursuits that aren't worthwhile.

3 Less Worrying About Other People's Opinions


At a certain point in life, we start to be less concerned about what other people think. We've survived a lot of judgment—from others and from ourselves—and we have hopefully realized that most of it isn't worth a hill of beans.

4 More Time for Dreams and Hobbies

Throughout our adult lives, we juggle an overwhelming number of responsibilities. As we get older, however, the long list of things we must or should do starts getting shorter. We have more time to spend on previously neglected interests and pursuits.



5 Stories to Tell and Wisdom to Bestow

Finally, there's no doubt that older people are full of stories. Even better, we've told our best stories countless times, we've polished our delivery until it is Oscar-worthy. And because we have the perspective that only comes from years of experience, it's a pretty safe bet that we've woven some wisdom into the stories we tell. 

CT SUMMER *Bucket List*

Looking for a great way to spend a summer day? Check out some of these cool locales around the state. (from ctvisit.com)

- Lavender Pond Farm is located in Killingworth on nearly 25 acres of fields, displaying over 9,000 lavender plants.
- The Book Barn in Niantic houses a collection of more than 500,000 books spread out between four locations, all of which can be found within one mile of each other.

- Lighthouse Point Park in New Haven includes natural history displays, nature trails, a bird sanctuary, and an antique carousel among its 82-acre Long Island Sound expanse.
- Buttonwood Farm Ice Cream in Griswold is an award-winning ice cream stand with a beautiful sunflower garden that raises money annually for Make-a-Wish Foundation in CT.
- Pleasant Valley Drive-In in Barkhamsted takes you to the movies in style and is fun for all ages – and the perfect summer night activity!



*Age is simply
the number of
years the world
has been
enjoying you!*

– Unknown

*It's Time. Plan today
for your tomorrow.
Call us at (860) 236-7673.*