

COMMON SENSE NEWS

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Common Sense Elder Law

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LAWYERS

WHO NEEDS THEM?

I don't need to pay a lawyer to tell me what to do with my money.

Admit it. That's what you're thinking. You've spent a lifetime building net worth, and now that it's time to enjoy it the last thing you want is to pay someone to tell you how.

But the truth is, our population is aging. Because of advancements in medicine and, let's face it, clean healthy living, Americans aged 65 and over are the fastest growing segment of our population. As a Senior American, you have unique legal and planning needs.

That's why attorney Rick Gibson created **Common Sense Elder Law** to help folks like you, folks who want to protect their wealth, enjoy their life and be ready for any challenges.

Rick Gibson & Associates understands that the needs of Senior Americans are as dif-

ferent and diverse as well, Chuck Berry and Barry Manilow.

And we know what concerns you:

You want a **retirement** where your biggest worry is how much time to spend with the grandchildren vs. how much time to spend on the golf course.

You want to be able to pass on more than just family stories to your children and grandchildren; you want to build a **financial legacy** for them as well.

You want to take care of the school, the university, the hospital or charity that made such an impact in your life. We can help with all that.

In this newsletter, as well as future newsletters you'll be receiving on a bi-monthly basis, we'll give you *information* to help you live your senior years to the fullest.

To begin with, we'll give

you clear, concise direction on such issues as how to protect the assets you've spent years accumulating.

We can also help you manage the new Medicaid laws, help you navigate through the minefield that medical issues often create, and why it's not only the wealthy who can create trusts.

We'll explain in clear, plain English terms such as probate, power of attorney and charitable trusts.

Why? Because we have years of legal experience in dealing with those issues, and, well, we've been there, too.

We have parents and friends who have experienced the same things. Plus, we have a staff who remembers rabbit ears on televisions, rotary telephones and transistor radios.

Call us.

You'll be glad you did.

DEAR READER:

Welcome to the first edition of Common Sense News, a publication of the **Common Sense Elder Law Firm**. We'll publish this newsletter six times a year with the goal of keeping you informed about issues that directly impact you—a Senior American.

In this newsletter, we hope to both inform and entertain. And if there is a question or topic you want addressed, send it to us by mail or log on to our website.

I formed the **Common Sense Elder Law Firm** be-

cause there are few lawyers who dedicate themselves fully to meeting the needs of our Senior Americans. Read on. I think you'll like what we have to say.

Rick Gibson

MUDDLING THROUGH MEDICAID: IT DOESN'T HAVE TO HURT

On February 8, 2006, President George Bush signed the Deficit Reduction Act, which contained major changes to Medicaid eligibility rules.

The main difference: The "look-back" period was changed from 36 months to 60 months. More significantly, the new law states the penalty period does not start until other assets have been spent down as opposed to when the transfer was made.

What does this mean for you? More time, for one. Many of you have heard horror stories about elderly losing all their assets when they go into a nursing home. Fortu-

nately, a lot of what you have heard is false. At Common Sense Elder Law, we'll help you navigate through all the jargon. And there are things you can do today to ease your mind about Medicaid. Among them:

1. Thinking it's too late to

plan. It's never too late — even after a nursing home has been consulted.

2. Giving away assets too

early. It's your money. Take care of yourself first. Transferring assets to your children too quickly can cause tax problems and Medicaid problems.

3. Ignoring safe harbors

created by Congress. Certain transfers are allowable without jeopardizing Medicaid eligibility. We'll show you how.

4. Failing to take advantage of protections for the spouse of a nursing home resident.

5. Applying for Medicaid too early.

6. Applying for Medicaid too late.

7. Not knowing the difference between lifetime liens on property and estate recovery.

8. Not getting expert help.

That's where we come in. The experts at Common Sense Elder Law can help but you have to make that call.

NEW MEDICAID FIGURES FOR 2007

The Centers for Medicare/Medicaid Services released in mid-November the 2007 Federal guidelines for how much money the spouses of institutionalized Medicaid recipients may keep.

In 2007, Community spouses may keep \$101,640 without jeopardizing Medicaid eligibility. This is called the

Community Spousal Resource Allowance.

The maximum monthly maintenance needs allowance for 2007 will be \$2,541

The new numbers take effect January 1, 2007.

What does this mean for you? The laws are changing all the time and you need to keep up with it. This is exactly

the kind of information the Common Sense Elder Law firm pledges to keep you current with and share on a timely basis.

Our website, www.commonseelderlaw.com, updates regularly with the latest news to keep you informed and keep saving you money.

Don't let longterm nursing care drain in months what it took you a lifetime to save.

A MATTER OF TRUSTS

So, how can we begin to help you with your assets? One way is through the establishment of a charitable trust.

A charitable trust is a trust established for the benefit of a charity that can provide great tax benefits to the donor of the trust and even an opportunity to increase the amount of the estate they leave to their heirs.

Usually the trust is funded

with appreciated property. After the trust is created, the trustee will sell the property and invest the proceeds.

The income from the proceeds goes to the donor, who can then buy an insurance policy through an irrevocable life insurance trust naming their children as beneficiaries, thus replacing to the estate the value of the property donated to charity.

It's a win-win situation. You get the tax benefits and the knowledge that your money is in a safe place, plus you get to take care of an institution that is or was a big part of your life.

The charity — your alma mater, the hospital or nursing home who cared for your spouse, the non-profit group you believe in — gets a future interest in an asset. What's not to like?

ATTORNEY RICK GIBSON: OVER 20 YEARS SERVING SOUTHERN ILLINOIS

Rick Gibson, owner and principal partner of the Common Sense Elder Law Firm, has been practicing law in Southern Illinois for over 20 years.

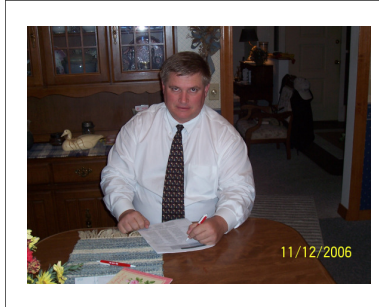
Rick grew up in nearby Florissant, Mo., but has roots in Southern Illinois – in both Jersey and Madison Counties – that date back over 150 years.

After graduating from Quincy University in Quincy, Ill., in 1982 and receiving its prestigious Bonaventure Award, Gibson attended Law School at Notre Dame in South Bend, Ind., and received his JD in 1985.

Having already married Melissa Dixon of Godfrey, Ill., Rick put down roots in the Alton area and he and Missy have lived in Godfrey since the late 1980s, raising two sons, Dan, 18 and Nick, 16.

Rick is licensed to practice in both Illinois and Missouri and has tried cases in six different states.

“I started Common Sense Elder Law for people like my parents and Missy’s parents,” he says. “In our family alone, I have personally dealt with issues of Living Wills, Medicaid, Estate Plan-



Attorney Rick Gibson is dedicated to serving the needs of Senior Americans.

ning, Powers of Attorney and Last Will & Testament.

“I know what you’re going through because I’ve seen what our parents and grandparents have gone through.”

MEET THE STAFF:

MARY ROSENOW AND MARSHA HINCKLE

Mary Rosenow’s primary duty is assisting with the creation of Medicaid, Estate Planning and Probate documents. That makes her the legal assistant who will be working with you alongside your attorney. She will walk you through the information gathering process so important to proper planning. In her spare

time, Mary likes to play tennis, travel and go on tandem bike rides with her husband, Steve. She has three children, Alicia, Ashley and Alex who still come to Mom when a problem needs solving.

Marsha Hinckle has been a legal secretary for longer than she will admit for fear it will reveal her age. She has

worked in all areas of the law and is very good at listening and understanding our clients’ unique needs. Marsha lives in Bunker Hill with her husband, Joe, and daughters Tiffany and Courtney. Many of the last several years have been spent watching her daughters pitch for softball teams in Southern Illinois.

We pledge to shelter as much money as legally and ethically possible for our clients.

KNOWING CRAT FROM CRUT

Here are some types of charitable trusts that qualify under current IRS rules as charitable remainder gifts:

Charitable Remainder Annuity Trust—CRAT. This type of trust provides a fixed income stream to the donor(s) based on a percentage of the fair market value of the assets when they are transferred to the trust. The income stream will not change during the life of the trust and the donor(s)

will not share in any growth in the investment portfolio.

Charitable Remainder Unitrust—CRUT. With this type of trust, the income will change from year to year based on a percentage of the annual market value of the assets. The donor(s) will share the growth of the investments, but a reduction in the value of the trust assets will cause a reduction in the income provided by the trust.

Who should look into a charitable trust?

- 1) Those who want to benefit a charity and enjoy immediate and future tax breaks.
- 2) Those who own highly appreciated property or assets and are concerned about capital gains taxes.
- 3) Those who want a stable income from property that is not currently providing such and who want tax benefits.

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We're on the Web!
Commonsenseelderlaw.com

*Know someone who
might benefit from this
newsletter?*

By all means pass it on
or send us their name
and address and we'll
contact them.



National Academy of
Elder Law Attorneys, Inc.

MEMBER

COMMON SENSE FACTS ABOUT AGING

Some Common Sense facts you or someone close to you will be dealing with, courtesy of the MetLife Market Institute (September, 2005):

1. Almost 38 percent of people over 65 are diagnosed with a severe disability and 47 percent of those 85 and over have Alzheimer's Disease or other form of dementia.
2. The average length of stay for current nursing home residents is 2.4 years.
3. The average daily rate for a private room in a nursing home is \$203 or \$74,095 annually.
4. The average daily rate for a semi-private room in a nursing home is \$176 or \$64,240 annually.
5. It does not take long to exhaust a lifetime of savings



Seniors Margaret and Harold Korte rely on advice from attorney Rick Gibson of Common Sense Elder Law.

spouse, or even by yourself, and think and talk about what your goals are, what your fears are and what your needs are. Make a list. Jot down ideas. Putting it all in writing is an important first step.

2. Next, get your paperwork in order. Items such as bank statements, investment portfolios, insurance policies. This can be an overwhelming task, but a team of professionals can help.

3. Finally, call us, or visit our website. We think you'll be pleasantly surprised at how easy the process can be — and you can get back to your grandkids or the golf course.

Planning for the future doesn't have to hurt. We'll be there for every step ... you just have to take that first one.

in a nursing home.

Wow. Those facts and figures can be scary — even overwhelming. That's why even taking tiny steps right now can help. Here are some things you can do today to ease your mind:

1. First, sit down with your