



THE COULSON
LAW GROUP

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Your Life, Your Legacy

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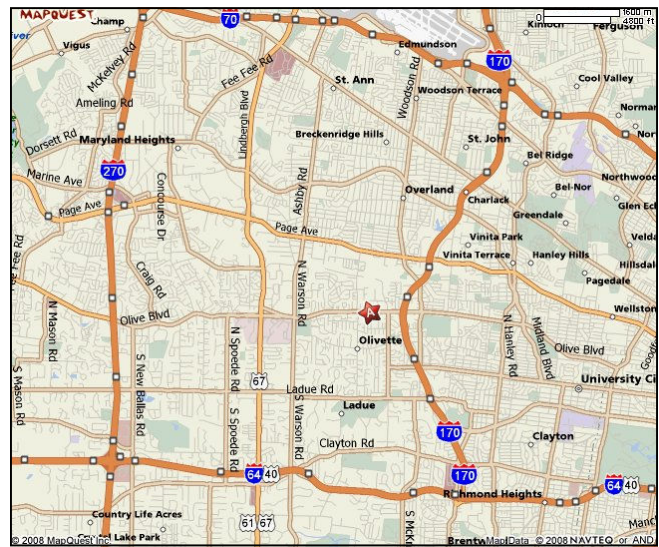
Headed Down the Road a Bit: Moving our St. Louis Location

At the end of August, we'll be moving our St. Louis office. We've been in our current location for quite a while, so it might take a little getting used to.

We're most excited because our new offices, located at 1125 Olivette Executive Parkway (see map) are located on the first floor—making it easier for many of our clients to access the building. Freshly painted and newly carpeted, the offices sure have a 'spruced-up' quality to them.

There is a large, welcoming reception area and a conference room that's nearly three times the size of our current client meeting room space. One of the features we really like is the gas grill located just outside our front door. We promises that he'll give us a gourmet BBQ demonstration soon!!

We'll be conducting the move Friday, August 22 through Monday, August 25. Although there may be a few 'technical interruptions', we plan to do our best to be available to those we serve.



- We're Moving Our St. Louis Office |
- Veterans Benefits Seminar—August 24th |
- Medicaid Qualified Annuities 2
- August Teleseminar—Powers of Attorney 4

VA Benefits Seminar—Sunday, August 24th

The Fountains of Troy, Illinois will host our inaugural **VA Benefits seminar**. In cooperation with Marianna Taylor, we're very excited to kick off the first of many educational programs aimed at Veterans. The Fountains of Troy is located at 39 Dorothy Drive, Troy, IL.

The seminar will begin at 2:00 p.m. Veterans, their spouses, children of veterans, and other family members are welcome.

To reserve your space, call Steve Held at (314) 567-9292, (618) 659-9292, or email him at steve@coulsonlawgroup.com.

Would you like to host a seminar? Contact Steve to arrange a program!

Medicaid-Qualified Annuities: *An Old Planning Friend is Alive and Well in Illinois*

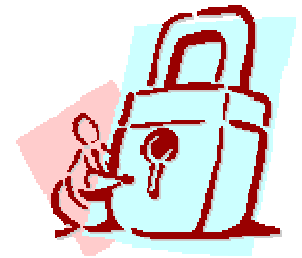
Because so much ado has been made about the changes in Medicaid eligibility laws under the Deficit Reduction Act of 2006, many people think that the new law is in effect "everywhere." That's not the case. Illinois is one of seven states which has not yet adopted "DRA." How soon that will happen is not yet certain, but it is clear that the number of "non-DRA" states is dwindling constantly.

Those who apply for Medicaid in Illinois before the "new laws" are adopted will still benefit from the more favorable provisions of the "old laws." Because of that there is good reason for any current Illinois nursing home resident who wants to preserve assets from Medicaid spend-down to "make hay while the sun is shining," as the old saying goes.

An important question that will remain open until Illinois adopts DRA is whether planning measures undertaken while the "old laws" are in effect will be "grandfathered in," if the person doing that planning does not apply until after the "new laws" have been adopted. If that turns out not to be the case, then planning done now by someone who does not apply until later could wind up resulting in substantial "transfer penalties." In other words, the applicant may be declared ineligible for benefits for a potentially lengthy period of time.

ANOTHER CASE-BASED EXAMPLE

The more assets a nursing home resident has, the greater the risk of running out of time, before the "new laws" go into effect, if the intention is to achieve eligibility through a monthly gifting program (which, incidentally, should only be carried out under the close supervision of a qualified elder law attorney). That's a risk many people will want to avoid.



For many Illinois nursing home residents, that means that a planning technique that enables you to achieve eligibility for Medicaid as soon as possible has a great deal to recommend it. For many people, a planning method that some elder law attorneys have successfully employed for many years fits that description: the Medicaid-qualified annuity.

Here's an example – adapted closely from a real case – that illustrates how a Medicaid-qualified annuity can be used as the cornerstone of a Medicaid eligibility plan, and how great the benefits can be. The names, of course, have been changed.

Sylvia, a widow, entered the nursing home at age 72, with mid-to-late stage Alzheimer's disease. Her monthly Social Security income of \$1,200.00 left her far short of her \$4,700.00 nursing home cost. Her remaining life savings of \$130,000.00 were in serious jeopardy. As it turned out, Sylvia lived three years in the nursing **(continued on Page 3)**

home – about average. If Sylvia had not obtained our help, she would have spent all of her life sav-

ings to pay for her care and a few incidentals. Her children would have inherited nothing at all, and they would have ended up paying for her funeral out of their own pockets.

Fortunately, Sylvia (through her son Ed, whom she had given power of attorney) contacted us as soon as she entered the nursing home. We developed a plan that included setting aside some money (through permissible gifting) to enable Sylvia to pay for things the nursing home did not provide, prepaying for a nice funeral for her, and paying our fees for the planning and handling the Medicaid application process.

The rest of Sylvia's money – about \$105,000 – was used to purchase a Medicaid-qualified annuity. It converted assets Sylvia would not have been allowed to keep, into a stream of monthly income payments that would extend over her statistical life expectancy of ??? years, with the amount of the payments increasing by 5% each year. Under the law and the terms of the annuity, Sylvia was required to contribute those monthly payments toward the cost of her care during her lifetime, but the payments that came due after she died went to her children, Ed and Rose, whom she had named as beneficiaries. (The DRA will require that the State be named as the primary beneficiary, to the extent of Medicaid benefits paid.)

The planning had a huge impact. Instead of inheriting nothing, Sylvia's children eventually inherited \$?????, and didn't have to worry about planning or paying for their mother's funeral when she died.

Interestingly enough, in many cases, Medicaid-qualified annuities are even more beneficial when the nursing home resident is married than when that person is widowed or single. In many cases, the spouse who isn't in the nursing home gets to keep all or most of the monthly income payments even while the spouse in the nursing home is alive, in addition to inheriting the payments that remain due upon death.

Right now, there are hundreds, perhaps thousands, of Illinois nursing home residents who could legally protect a substantial portion of their remaining life savings for the benefit of their families, and qualify immediately for Medicaid, by implementing an asset-preservation plan based on a Medicaid-qualified annuity. But time will soon be running short. Once Illinois adopts the DRA, that opportunity will be gone.

Medicaid-Qualified Annuities: *An Old Planning Friend is Alive and Well in Illinois*

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Age is a question of mind over matter. If you don't mind, it doesn't matter.

- Satchel Paige

"Your Life, Your Legacy, Your Lawyers"

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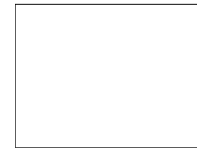
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Your Life, Your Legacy is written by the attorneys of The Coulson Law Group, Wesley J. Coulson and Joseph Ilges, and is published as a service of The Coulson Law Group, 1001 Craig Road, Suite 224, St. Louis, Missouri, 63146; 101 Southpointe Drive, Suite B Edwardsville, Illinois, 62025. This is for general purposes only and does not constitute legal advice. For specific questions, you should consult a qualified attorney.



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August Teleseminars! Powers of Attorney

August Teleseminars—Sign Up Now!!!

Topic: *Everything* You Always Needed to Know About Powers of Attorney (But Didn't Know Enough About Them to Ask)

Date(s): Wednesday, August 20th, or
Thursday, August 28th

Time: 12 Noon

Get your space reserved today!

Call Steve Held at (314) 567-9292, (618) 659-9292, or email him at steve@coulsonlawgroup.com.