

THE WHEN AND HOW OF APPLYING FOR MEDICARE



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We all know that when we turn 65 we are covered by Medicare. But many people don't know that coverage is not automatic. We actually have to sign up for it. And we have to sign up during a specific time period or risk a penalty. Below is a quick lesson on when and how to do it.

There are certain limited exceptions to this enrollment requirement. For example, if you are still working at age 65 and your employer has a group health plan that covers 20 or more employees (including you), you can sign up for Medicare later without penalty.

WHEN: Some people sign up for Social Security before their full retirement age. You can sign up for Social Security as early as age 62, but every year you wait, up to age 70, gets you a larger monthly benefit. If you did start receiving Social Security before turning 65, then you don't have to sign up for Medicare. They already know about you and you should be covered automatically.



Otherwise, if you missed your enrollment period, you will have to wait until the next general enrollment period, which is every year January 1 through March 31. When you do finally enroll you may incur late enrollment penalties.

If you are not already receiving Social Security by age 65, you will have to enroll in Medicare sometime during the three months right before your 65th birthday. You can do this either by calling the Social Security Administration or going online (www.socialsecurity.gov).

HOW: Enrolling in Medicare right before your 65th birthday gets you Medicare Parts A and B. (For an explanation of the various Medicare parts, go to our blog at www.absolutetrustcounsel.com/blog.) You still have to apply separately for Medicare Part D, which covers prescriptions drugs. Or you can apply for Medicare Part C, also known as Medicare Advantage Plan. This type of plan is like an HMO and covers Parts A, B and D. You do this by identifying the private insurance company whose Part D or Part C plan seems like a good fit for you. This will probably depend on the types of prescription medications you currently take or believe you are likely to take in the future. Once you've picked a plan, you

If you miss that three month window, you might end up paying a penalty when you do enroll. Medicare is a form of health insurance. It works like all other types of insurance, meaning it's best when it can spread the risk among a large group of people. That is why the government wants everyone enrolled.

(CONT.)



Dear Clients and Other Friends,

I hope you all had a wonderful holiday season and that this new year is full of good health and happiness for you and your family.



Best wishes,



Kirsten Howe, Absolute Trust Counsel

UPCOMING EVENTS

January 16, 2019
Tax, Legal and Financial Issues
That Impact Home Sellers
10:00-11:30am
Lafayette Library
3491 Mt. Diablo Blvd. -
Community Hall
This event is FREE and open
to the public.
I hope to see you there!

March 22, 2019
Resolving Family Conflicts in Eldercare
Hosted by ElderConsult
Geriatric Medicine
Emeryville, CA



THE WHEN AND HOW OF APPLYING FOR MEDICARE (CONT.)

enroll either directly with the private insurance company or on the same website where you enroll in Medicare (www.socialsecurity.gov).

Don't overlook this very important deadline. Put the date that's three months before your 65th birthday in your calendar right now so you'll get yourself enrolled on time.

I hope by now you have had a chance to listen and hopefully learn something from our bi-monthly podcasts, Absolute Trust Talk. We're so happy we've completed twenty-two shows with many more to come. Each episode is unique, with topics such as:

- **What is a Professional Fiduciary and do I need one?**
- **Estate planning for a family member with a special needs child**
- **How to become a US Citizen**
- **Should I hire a home care assistant for my parent?**

In addition to the podcast interview, one of my favorite parts of each episode is when I get to answer a question from a listener or client. Here's a few I thought you may be interested in:

"I've been told by a financial planner that in order to make myself eligible for nursing home care assistance from Medi-Cal I should transfer my home to my daughter and I should invest all my bank accounts in a Medi-Cal compliant annuity. Is that a good idea?"

Transferring assets to become eligible for Medi-Cal has to be done carefully, otherwise you may actually make yourself ineligible. It's very important to talk to an attorney to see what the best choices are for your situation. Annuities are often not the best solution.

"When my sister passed away a couple of months ago, we were pleased to discover that she had created a trust in the last few years. However, it looks like she didn't change the title on her home so that it is owned by the trust even though she did list the home in the trust schedule as an asset. What do we have to do about this?"

This happens more often than you'd think. In fact, they have a name for the procedure you will have to

Medicare Basics	
When to enroll:	During the 3 months before your 65th birthday
What is included:	Part A) Hospital, hospice, nursing home rehab Part B) Doctor visits, lab tests, x-rays, physical therapy
What is optional:	Part C) Medicare Advantage Plan Part D) Prescription Drug Coverage



With Kirsten Howe

go through. It is named after the family who first tried it successfully. It is called a Heggstad petition. It is a probate court procedure but not nearly as long, difficult or expensive as a true probate.

If you have a question you would like answered or a topic you'd like to learn more about, please send an email to ivy@absolutetrustcounsel.com. To listen to any of the podcasts, go to the podcast page on our website, www.absolutetrustcounsel.com or look for us on iTunes. Also, don't forget to download the free informational tool each show provides with helpful checklists, answers and more. As a favor, we would greatly appreciate it if you would subscribe, rate and review them. We are always grateful for your comments, suggestions and feedback.

“

Successful people see adversity as a stepping stone rather than a stumbling block.

— Shawn Achor

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NOT ALL POWERS OF ATTORNEY ARE CREATED EQUAL

When someone calls our office to schedule their first appointment, we ask them a series of questions to get an idea of what kind of help they need. Often the person calling us to ask about Medi-Cal planning is the child of the person who needs Medi-Cal benefits to help pay for nursing home care. This leads to a couple of questions: Does your parent have the capacity to understand and participate in this planning? And, if not, is there a power of attorney?

But these two questions can only get us so far. Often the answer to the second question is “yes, my parent named me as agent under a power of attorney.” That's a good thing, but it is not a guarantee that we can help this family.

Most typical estate plans include a power of attorney, a document in which you name someone who has your authorization to take care of legal and financial matters for you if you become incapacitated. The person you name in your power of attorney, your agent, has only the powers that you grant them in that document. When we draft powers of attorney for our estate planning clients, we usually want the powers granted to be as expansive as possible so that the agent will be able to take care of any legal or financial matter that pops up after you lose your mental or physical capacity to deal with them yourself. However, most standard estate planning powers of attorney do not grant all of the powers necessary to do Medi-Cal planning.



INTRODUCING.....ELLEN BERRY

We're very happy to introduce you to our newest addition to the Absolute Trust Counsel team, Ellen Berry. Ellen is our one and only “Duck.” Not the kind of duck you're thinking, she's a graduate of the University of Oregon with a bachelor of arts in psychology and a minor in business. Her extensive experience in the banking industry and the organizational knowledge from her days as an event manager give her the perfect skill set to tackle the day to day administrative duties that keep our firm running smoothly and efficiently.

She's a native of Portland, Oregon, lived in Montana and Seattle, and recently moved to Walnut Creek. When she isn't supporting the Absolute Trust Counsel team,

The planning we do in order to make someone eligible for Medi-Cal benefits to help pay for nursing home care sometimes involves transferring some of their assets, such as investment accounts, bank accounts or real estate, to someone else, usually the trustee of an irrevocable trust. We have to do this to reduce the value of the client's “non-exempt” assets to below the Medi-Cal eligibility limits. Because we are trying to reduce the value of what the client owns, we are transferring assets and getting nothing in return. In other words, we are not selling the client's assets, which is authorized by most powers of attorney. Instead we are giving away the client's assets, which is usually not authorized by the power of attorney.

Granting someone else the legal authority to give your assets away is not something that should be done without careful consideration. However, in some situations it makes sense and can be so

helpful to your family. As we get older it might make sense to consider granting this kind of power. In particular, it might make sense to grant it to a spouse. Most people trust their spouse to watch out for their best interests. Also, most people would want to be able to protect some assets for their spouse's support, rather than spend everything on nursing home expenses. It might also make sense to include these powers when there is already a diagnosis of a debilitating illness, such as dementia, Parkinson's, Alzheimer's or the client has had a stroke and future strokes seem more likely.

she's probably seeking out her next camp site. Camping is one of her favorite pastimes.

Fun fact: During college, along with her requirements to complete for a psychology degree, she took so many business classes that she accidentally earned a minor in business.

