

PLANNING PERSPECTIVE

Spring 2004 • Vol. 2, No. 1

A Publication of Fitzgerald Law Office

As we emerge from a long, wet spring, the staff of Fitzgerald Law Office can look back upon a busy start to 2004. In these times of change, we look forward to new challenges and opportunities for service throughout the rest of the year.



J. Douglas Fitzgerald

Fitzgerald Law Office

Five Factors to Consider for Long Term Care Planning

Whether you are deciding to purchase a long term care policy, thinking about a neighbor who gave away their house, or planning for possible future expenses, you will need to understand how you feel about five important factors that affect long term care decisions. No particular plan or tool is “right” or “the best” option for every person. How you feel about these five issues often determines what will work for you.

Control: How important is it for you to keep your current assets? Do you need to exercise total control without anyone else being involved? How much control are you willing to give up? What cost is “too much” in return for the benefits that come from long term care planning – nothing, the cost of long term care insurance premiums, or the value of your house?

Paying Bills: What do you need to take care of yourself now? Does your income cover your current bills or do you need some of your investments and other assets

to help out? How will you pay your bills if your expenses go up in the future?

Quality of Care: How important is it that you have the best care at all times? How much of your assets are you willing to commit so that you stay out of a nursing home? If entering a nursing home is necessary, how much money would you pay to get into the best and most convenient facility?

Taxes: How important is it that you and your family pay no taxes as you implement a plan? If taxes are inevitable, does it matter whether you or a child or other relative pays the tax?

Inheritance: Is the plan about your children and heirs rather than yourself? How important is it that your heirs receive an inheritance after you pass away? How much do those heirs absolutely need to receive?

Long Term Care Decisions and Estate Planning

Clients often combine questions about long term care planning with questions about estate planning. This is difficult because these two issues reflect very different views about the future.

Estate planning addresses what should be done if you die with assets in your possession that need to be divided among your heirs. On the other hand, long term care planning is about what should be done if lifetime bills and expenses are so high

that your assets are gone before you die, meaning that there are no assets to divide among your heirs. In most cases, it is impossible to simultaneously plan for both possibilities.

Unlike estate planning, long term care planning involves real and immediate sacrifices. With a Will or a Trust, we hope we will not need to use it for years. On the other hand, long term care planning is something that has a significant effect on

day-to-day affairs. Whether it is paying the premiums on long term care insurance or living without an asset that was given away, you must cope with the consequences of the planning. These consequences are also locked in and cannot be changed or amended like the terms of a Will or Trust.

As a result, long term care planning requires a different focus. Often, the planning process is entirely separate from an estate plan.

Changes in Title 19 Rules

During the past six months, the State of Wisconsin changed a number of Title 19 rules, making planning for benefits more difficult. Even more changes are on the horizon.

The next wave of changes is not defined yet, but we know that it will be significant. New rules will make transferring assets and gifts more risky and difficult. Popular investment strategies may also lose most or all of their value. As a result, the sacrifices that clients must make will be greater and planning will become both more complicated and more expensive.

New Look for the Office

Since February, Fitzgerald Law Office has undergone a number of changes that will enhance the work that we do and allow us to work more efficiently.

Shelley Boyd recently joined the office on a full time basis. Shelley will answer the telephone, handle scheduling, and assist with various matters related to client files. Jodi Seibel also joined the team as a legal assistant. Jodi takes over for Suzanne Wendt, who was with

The new rules will certainly be much less forgiving where gifts are made without a carefully developed plan. Following the IRS rule regarding gifts of \$11,000 per person per year will be very dangerous. Also, while the rules for married couples will still be more generous than for single individuals, there will be less latitude than married couples enjoy today. The new rules will put a premium on planning ahead — even in situations where the current rules reward married couples that “do nothing.”

Fitzgerald Law Office since its founding in 2002. Suzanne is an extraordinarily talented person and we wish her well in her future endeavors.

Finally, the office has expanded to create some more room. The new space now provides both a work area for Jodi and a new area for clients to meet with Doug.

Programs and Events

On his cable television program, Doug is completing a series related to long term care planning. These shows outline the issues involved in planning, options available for care, long term care insurance, special financial considerations, decision-making, and changes in the law.

Earlier this year, Doug conducted a workshop on estate planning at the Kettle Moraine YMCA. Doug also spoke to a class at the West Bend High School regarding Health Care Powers of Attorney and legal issues related to careers in the medical field.

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