

*The*  
**SHARP LAW FIRM**  
**Sharper Solutions**

## A Word from Cynthia Sharp



When doing your estate planning, consider establishing a special needs trust if one of your potential beneficiaries is entitled to government benefits such as SSI or Medicaid. Direct receipt of funds will cause the individual to be disqualified which means that the funds will need to be spent down before requalification for the benefits. This result is particularly harmful for those who incur substantial medical expenses each month.

By way of example, consider a situation in which Mom and Dad have three children, one of which is disabled. The parents are killed together in an accident and don't have wills. In most states, the children will be entitled to receive the inheritance in equal shares. Since the disabled child's share is not diverted to a special needs trust, the result will be disqualification from the entitlement program that he or she may have been otherwise eligible until the funds are spent.

Another situation that I have handled involved a client in a nursing home, the costs of which are being covered by Medicaid. A family member passes away, leaving the ill person an inheritance. Again, the ill person is disqualified from Medicaid. This means that he or she must pay the nursing home bill directly (at the rate of 5,000 to 9,000 per month - depending on the locale) until only \$2,000 remains.

**QUESTION:** When Do I Need to Change My Will or Trust?

**ANSWER:** Procrastination is putting off until tomorrow the things that we should do today. The reality is that we don't always stay on top of important matters - - such as updating wills and other significant legal documents. When important changes occur in our lives, we need to revisit our wills and beneficiary designations to make sure that our current intent is expressed. Major events that may motivate you to take a look at your will are: 1) Marriage; 2) New Life Partner; 3) Divorce; 4) Birth of a Child; 5) Change of mind as to who will inherit your assets; 6) Change of mind as to who should handle your estate after your death.

A will may be revised by adding a "codicil". Codicils made sense in the days before word processing. However, since they can create

confusion and even conflict, we often suggest preparation of a new will.

I strongly recommend that you review your estate plan annually and give me a call if you have any concerns or questions.

The Sharp Law Firm is pleased to announce that Cynthia Sharp has been nominated for the designation of Accredited Estate Planner which is awarded by the National Association of Estate Planners & Councils to professionals who meet stringent experience and education qualifications.

*"Learn as if you were going to live forever. Live as if you were going to die tomorrow."*

**Mahatma Gandhi**

I am pleased to announce that I am serving as Chair of the Golf Tournament to benefit the Greater Delaware Valley Chapter of the Alzheimer's Association for the sixth year in a row. It will be held on May 15, 2006 at the Woodcrest Country Club in Cherry Hill, NJ. If you have a family member, friends or clients who have been afflicted by this insidious disease, I urge you to get involved in some capacity with the Alzheimer's Association. Please call 856-797-1212 for additional information about volunteer and sponsorship opportunities.

## DON'T FORGET TO CHECK OUT OUR WEBSITE

[WWW.CYNTHIASHARP.COM](http://WWW.CYNTHIASHARP.COM)

This site will allow you to access Cynthia's articles, our newsletters, directions to our offices, our seminar schedule and lots more.

## Featured websites:

**Navigating the New Medicare  
Drug Benefits**

[www.medicare.gov](http://www.medicare.gov)

Developed by CMS for the general public regarding Medicare Part D.

[www.cms.hhs.gov](http://www.cms.hhs.gov)

Includes information for professionals which is more technical in nature.

[www.medicareadvocacy.org](http://www.medicareadvocacy.org)

From Center for Medicare Advocacy with excellent educational materials available to download.

[www.nsclc.org](http://www.nsclc.org)

Website of National Senior Citizens Law Center

## Medicaid Rule Changes *Urgent Notice*

On February 8, 2006, the President signed the Deficit Reduction Act of 2005 which includes Medicaid restrictions that may affect you and your family now or in the future. The new law extends Medicaid's "lookback" for all asset transfers from three to five years and changes the start of the penalty period for transferred assets from the date of transfer to the date when the person giving away the assets enters a nursing home and would otherwise be eligible for Medicaid coverage. These changes will make it much more difficult for individuals to qualify for Medicaid. However,

asset protection opportunities may still be available IF YOU PLAN AHEAD!!!! I urge you to schedule an appointment with me as soon as possible if you are concerned about the high cost of nursing home care. With nursing home costs at \$80,000

At the time of writing this newsletter, there is an interesting legal issue brewing around whether the DRA is unconstitutional. It is doubtful that this will lead to a different outcome. You can believe that The Sharp Law Firm will continue to monitor all developments and investigate all available planning opportunities that will benefit our firm's clients.

## FREE ELDERCARE SEMINAR

**Martin V. Higgins, CFP, CLU, CSA, RHU, LUTCF**

Navigating the New Medicare Drug Benefit The Future of Medicaid: How Will It Affect You?

We suggest that you bring your children or parents as well as friends and family who are interested in learning more.

The workshops will be held at two different locations:

**Tuesday, April 11, 2006** at Woodcrest Country Club, 300 East Evesham Road, Cherry Hill, NJ:

2:00 p.m. - 4:00 p.m. or

7:00 p.m. - 9:00 p.m.

Refreshments Served!!!

**Tuesday, April 18, 2006** at The Clarion Hotel, Palmer Inn, 3499 Route One South, Princeton, NJ:

2:00 p.m. - 4:00 p.m. or

7:00 p.m. - 9:00 p.m.

Call us to register or email Tina at [Tlutts@cynthiasharp.com](mailto:Tlutts@cynthiasharp.com)