

PREPLANNING CHECKLIST

Save yourself and your family the **MESS** of trying to make decisions and pull together necessary documents quickly in a crisis. Panic Planning is never good.

1. Does 2023 hold some potential for a family member experiencing declining health and possible nursing home/assisted living placement?
2. Are necessary documents in place? Wills? Powers of attorney? Health care advance directives? If not, is this an opportunity to put those in place (especially if someone is declining mentally and might not be able to execute any documents later in the year)?
3. WHERE are those documents stored? If you cannot find either a will or a POA, then you do not have one.
4. Most wills and trusts are simply “I Love You” arrangements (all to the surviving spouse, and later in equal shares to the kids) that do very little in the way of asset protection planning. Is this a concern?
5. Do powers of attorney specifically address gifting? This is critical if your answer to number 1, above, is “yes” because moving assets and perhaps retitling them is often essential during Medicaid planning. If the POA does address gifting are there limits (for example something like “gifts in an amount not to exceed the federal gift tax exclusion” will limit gifts to \$17,000 per person in 2023). Also, if the POA is a “statutory short form” POA and has a series of lines to initial, it will be totally inadequate, even if “gifting” is checked off because the statute severely limits the gifts.
6. Do you have a good idea of what assets there are and how they are titled? You can download our Quick Financial Overview form and use it as a guide to “getting organized.”
7. Are there old life insurance policies? If so, it is time to determine what kind of policies they are (Term? Whole life?) and what the cash values are (if any). A financial advisor might be able to help track down an old policy, especially if it was written by a life insurance company that has been bought out.
8. If there is a potential for nursing home placement in 2023 and you are thinking of Medicaid, start gathering banking information (most counties in North Carolina are requesting FIVE years’ worth of statements).

9. The reason for DSS reviewing banks statements is to spot any gifts that have been made within the past five years. If gifts have been made, you should identify how much and to whom. Quite often there are strategies for addressing them – don't panic (yet).
10. If there is a potential for nursing home placement in 2023, start gathering other documents (birth certificates, drivers licenses (even if expired), Social Security and Medicare cards, marriage licenses).
11. Are preneed funeral policies in place? If so, where are the policies?
12. If a child or other family member is rendering personal care services, the child may be paid (which is a way of shifting funds). However, to comply with Medicaid rules and avoid the payments being treated as gifts, there must be a written caregiver agreement (going forward, no back-dating) and a physician's statement that the services are necessary.
13. Social Security 2023 statements will be coming out soon (or you may already have it if your late reading this). The mailed statements are usually a trifold and list benefits for the year. Keep this statement with your other records. If you ask us to do a Medicaid application, that is one of the first things we'll ask for.
14. Consider setting up an online Social Security account. You don't need to worry about #13, above, if you have an online account. If you are not internet literate, sit down with a child (well, maybe a grandchild) and have the child set it up. You'll need to be there, though, because the online process will ask some trick questions that perhaps only you can answer. Go to ssa.gov and click on the "Sign In/Up" button.
15. Passwords! Make sure someone has your online passwords in a secure location. Better yet, use a password manager (At Mason Law, PC, we use "LastPass"), assign it an impossible password unique to the manager, and write it down and make sure 2 or 3 others know what it is.

REMEMBER: NO PLAN *IS* A PLAN – PROBABLY A BAD ONE, BUT STILL A PLAN

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