

Do I have to pay the Medicare Part B premium each month?

How much would an extra \$1,156.80 per year help out your budget? You probably already understand generally that Medicare is a federal government social insurance program that provides health insurance coverage to persons age 65 or older or who satisfy other special criteria. For the most part, you are eligible to receive Medicare if you are a U.S. citizen or have been a permanent legal resident for at least 5 continuous years and are 65 years or older; or, you are under 65 years old and are both disabled and have been receiving Social Security or Railroad Retirement Disability benefits for at least 24 months. But these are not the only ways to be eligible for Medicare as there are specific medical conditions that will qualify you as well.

Medicare and its many Parts

So what is Medicare Part B? Medicare Part A is hospital insurance that covers hospital stays and a term certain stay in a skilled nursing facility if specific criteria are met. By contrast, Medicare Part B is the medical insurance that helps to pay for those services and products that are not covered by Part A which includes physician and nursing services, x-rays, lab and diagnostic tests, certain vaccinations, blood transfusion, outpatient hospital procedures, limited ambulance transportation, medication only if administered during a physician's office visit, and a limited other number of services, not to exclude durable medical equipment. Medicare Part C is a patient's right to enroll and receive their Medicare through a private health insurance plan. Finally, Part D is the prescription drug plan that is available for anyone who has Parts A or B.

Medicare Part B Premium

If you are already receiving your monthly social security check and you are eligible for Medicare, then \$96.40 each month is automatically being deducted from your retirement. So, over the course of one year, this amount adds up to \$1,156.80. Surely it would be beneficial to you if you could have this extra money each month, wouldn't it?

In Arizona, there are three Medicare Cost Sharing programs that are available to help you obtain government assistance to cover this Part B premium. Generally, if you are single, a resident of Arizona, a U.S. citizen or a non-citizen who meets the Medicaid requirements, and your total monthly income is between \$851 to \$1,149, then you may be eligible under Qualified Medicare Beneficiary (QMB), Specified Low-Income Beneficiary (SLMB), or Qualified Individual - 1 (QI-1) programs, to have your Part B premium covered. Although different rules will apply to married couples, and because there is a standard amount that is deducted from your total income, it is important to consult with an elder law attorney who can assist you in reviewing your case and answering questions you might have. If you are interested in scheduling an appointment with Robert Michael Way, Esq., to discuss these issues, then you may call (928) 783-4466.

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Joint Tenancy - Joint Problems

Joint tenancy avoids probate at the first death and may seem like a simple solution. However, adding a joint tenant adds all sorts of unforeseen problems.

What is joint tenancy?

Joint tenancy is the co-ownership of property during the lives of two or more joint tenants. Upon the death of one of the joint tenants, the remaining joint tenant(s) immediately succeed to the ownership of the property. If there is only one surviving joint tenant, he or she becomes the sole owner, thus avoiding the probate process.

What is tenancy-in-common?

Tenancy-in-common is also the co-ownership of property. However, unlike joint tenancy, upon the death of a one of the tenants in common, the other tenants in common do not succeed to the deceased tenant's interest.

What are the risks of joint tenancy?

Simply adding someone to title as a joint tenant in realty is a gift that could trigger a gift tax. More importantly, the creditors of the joint tenants can go after the property. For example: *Mom adds son as a joint tenant on their vacation home. She trusts her son completely. However, her son has an accident, which causes injuries. The injured party is able to collect against the son's half of the home. Mom has lost half her home's value.*

The addition of a joint tenant may have other unintended consequences. When Mom added son to the title, she made a gift, which may make her ineligible for Medicaid to pay for her nursing home care for a substantial period of time.

A parent will often add one of his or her children as joint tenant to a bank accounts in order to give the child access to the account in the event of the parent's disability. By adding the child as joint tenant there is danger that a child may make unauthorized withdrawals from the account. Furthermore, title to the bank account will vest with the joint tenant child after the death of the parent, which may be contrary to how the parent wishes his or her estate to be divided at death. There are better estate planning methods available which would allow someone you've named to step in and assist you in the event of disability.

Rather than face these and other unintended consequences, it is often best to avoid joint tenancy and form a Trust to avoid probate and other issues. A properly drafted Trust is a simple vehicle which holds title to your assets. A Trust designates how the assets are to be distributed at death and provides emergency access to funds in the event of disability, but it protects the assets from the creditors of beneficiaries and prevents unauthorized withdrawals during lifetime. At your death, the Trust continues on. Thus, there is no need for a probate court to be involved to re-title the assets, which are owned by the Trust.

A Trust is a simple, straightforward method of avoiding probate and the risks of joint ownership. Before titling anything in joint tenancy, consult our office. If you are interested in a Trust of meeting with Mr. Deason regarding your estate planning needs, call Mary at 783-4575. Estate Planning... It's What We Do!

The goals of traditional estate planning: 1. Protect material wealth from probate and taxes; and 2. Transfer estate assets to beneficiaries.

Attend our seminar and take a deeper look at the impact of disability for either spouse and the life of the surviving spouse after death; protection for the beneficiaries from divorce, lawsuits, creditor problems, re-marriage and what about mama's pie plate?

Estate Planning is no longer just consistent of the 3Ds: *Divide, Distribute and Dissipate.*

Effective estate planning is neither a simple one-time event, nor a burdensome, endless task. It isn't restricted to individuals of specific age, profession, income or asset base. However, even those who recognize the value of long-term planning often have more questions than answers.

The Deason Law Firm is here to help. At our informative seminars, you will find out in simple terms how with proper estate planning you can protect against probate, guardianship, creditors and taxes. Reserve your seats today with Mary by calling 783-4575. **Estate Planning... It's What We Do!**

**Register Today:
783-4575**

**Or online at:
www.deasonlaw.com**

**Thursday, July 10th @
9:30am or 6:30pm**

Held at the Yuma Civic & Convention
Center (East Wing)

This is the 16th elderlawtoday newsletter. This is a complimentary, educational newsletter. If you are NOT interested in receiving this information in the future, please contact Mary at 783-4575.

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