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MEMBER



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2010 ELDER LAW NUMBERS

There are several figures of interest to seniors and their families for 2010. They include long-term care spousal standards, annual gift tax exclusion rates, long-term care premium deductibility limits, and Social Security benefit changes.

The Center for Medicare and Medicaid Services (CMS) has announced changes to the long-term care spousal standards that apply to a community spouse. A community spouse is a person who is not an inpatient in a medical institution or a nursing facility, but is married to a person who is an inpatient in a medical institution or a nursing facility (the institutionalized spouse). The standards that changed in 2009 or will change in 2010 include, but are not limited to, the Maximum and Minimum Spousal Resource Standards and the Maximum Monthly Maintenance Needs Allowance (MMMNA).

The Protected Resource Allowance (PRA) (often referred to as the Community Spouse Resource Allowance, but technically this is incorrect), is the amount of assets that the community spouse is allowed to retain when the institutionalized spouse is eligible for Medicaid. The PRA is the greatest of either: (1) the Spousal Share (one-half of the total amount of joint countable assets as of the first day of continuous institutionalization for the institutionalized spouse), or (2) the Maximum Spousal Resource Standard at the time of application, or (3) the amount actually transferred to the community spouse as court-ordered spousal support, or (4) an amount determined at a hearing by the Department of Medical Assistance Services (DMAS). The PRA can be no more than the Maximum Spousal Resource Standard and no less than the Minimum Spousal Resource Standard. The Maximum and Minimum Spousal Resource Standards increase each year based on changes in the Consumer Price Index. On January 1, 2009, the Maximum Spousal Resource Standard increased \$109,560, and will remain the same for 2010. The Minimum Spousal Resource Standard increased to \$21,912 in 2009 and will remain the same for 2010.

The MMMNA has a minimum allowance amount and a maximum allowance amount. The MMMNA for 2009 was \$1,821.25, effective July 1, 2009, and this amount will remain as the minimum allowance for the first half of 2010. The maximum maintenance needs allowance increased to \$2,739 in 2009, and this amount will remain the same for the first half of 2010. The community spouse excess Shelter Standard for 2009 was \$546.38, and this amount will remain the same for the first half of 2010. The utility standard deduction (SNAP) changed from 2008 to 2009. For 1 to 3 household members, the utility standard deduction decreased from \$290 per month to \$141 per month effective October 1, 2009, and the utility standard deduction increased from \$365 per month to \$381 per month for 4 or more household members.

The annual gift tax exclusion will remain at \$13,000. This exclusion is the amount that a taxpayer can give to another individual without filing a gift tax return. The IRS established limitations for 2009 and future tax years for the deductibility of long-term care insurance premiums from federal taxes. Premium amounts above the limits are not considered to be a medical expense. For those 40 years of age or less, the maximum deduction is \$320; for those more than 40 years of age to 50 years of age, it is \$600; for those more than 50 years of age to 60 years of age, it is \$1,190; for those more than 60 years of age to 70 years of age, it is \$3,180; and for those over 70 years of age, it is \$3,960. In Virginia, premiums that are not deductible on the federal income tax return can be taken as a deduction on the Virginia state income tax return.

For those on Social Security, there will not be a cost of living increase for 2010. The estimated average monthly Social Security benefit payable in 2010 will remain \$1,153. The maximum taxable earnings will remain at \$106,800, and the maximum Social Security benefit will remain \$2,323 per month. The Supplemental Security Income (SSI) federal payment standard will not increase in 2010, and it will remain at \$674 per month for an individual and \$1,011 per month for a couple. Most Medicare Part B enrollees will see no increase in their Part B premium payments as a result of a "hold harmless" provision in the law. Approximately 27% of beneficiaries are not subject to the hold-harmless provision because they are new enrollees during the year (3%), they are subject to the income-related additional premium amount (5%), or they do not have their Part B premiums withheld from Social Security benefit payments (19%), including those who qualify for both Medicare and Medicaid and have their Part B premiums paid on their behalf by Medicaid (17%).

Oast & Hook can assist seniors with their estate, long-term care, financial, insurance, veterans benefits and special needs planning needs.

Ask Allie

O&H: Allie, we've heard of a great program that pairs veterans with homeless pets. Please tell us about it.

Allie: Sure! Pets2Vets was started by Dave Sharpe of Arlington, Virginia. After he returned from Iraq, he was troubled by thoughts he could not shake; he went with a friend to a local pit bull rescue and adopted a puppy. The puppy has helped him transition back to his life at home. Pets2Vets is a group that matches veterans with homeless pets by arranging adoptions of shelter animals; one of its goals is to raise awareness of post-traumatic stress disorder. It has made two or three matches per week

since it began in October. Pets2Vets has worked with the Washington Animal Rescue League, and the League director Gary Weitzman says that it is a win-win situation for the shelter and the pets. "We provide them a healing environment to continue their recovery, but they also help our animals, many of which are recovering from traumas themselves." Pets2Vets plans to expand early this year to additional shelters in the Washington, D.C., area, and then across the country in partnership with local veterans organizations. Mr. Sharpe says that his long-term goal is to extend the program to police, fire and rescue, and victims of natural disasters and other traumas. You can learn more about Pets2Vets at www.pets2vets.org. This is a great group for both vets and homeless dogs and cats! See you next week!

Announcement

The Alzheimer's Association will be offering a Family Caregiver Education Series. These programs will be held from 11:00 a.m. to 1:00 p.m. at the Bayside Library, 936 Independence Boulevard, Virginia Beach, Virginia. Brown bag lunches are welcome, and drinks will be provided. These programs are free to family caregivers. The first program is entitled "Safety in the Home and Away," and it will be held on Wednesday, January 13th. Please register at least two business days before each program by phoning Carol Gurioli at 757-459-2405 or e-mailing her at carol.gurioli@alz.org.

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