



5 Things You Can Do During this Pandemic to Protect Your Estate Plan

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+ Overview

- Planning for disability and for death is essential
 - Approximately 25% of all individuals will suffer a disability
 - 1 in 9 individuals who reach 65 will develop dementia, 1 in 3 who reach 85 will develop dementia
 - 100% will die at some point

- Planning does not just consist of drafting documents
 - Integrated plan - legal and financial planning

- Tools exist to develop plan

- Law provides defaults
 - Default may NOT be what you intend

+ 1. Don't Do It Yourself

- There are formalities to creating documents
 - Capacity
 - Execution

- Estate plan is more than just documents
 - Documents are tools
 - Financial and legal plan
 - Asset titling
 - Beneficiary designations
 - Tax implications

+ 1. Don't Do It Yourself (cont.)

- Lack of understanding
 - Unanswered questions & no advice
 - No legal advice
 - No contingency plan
 - Special needs issues

- Unintended Consequences
 - Beneficiaries
 - Probate
 - Litigation
 - Will disputes
 - Fight over authority
 - Invalid documents
 - Almost a Will
 - Missing documents

+ 2. Review or Create a Plan

- Current Documents
 - Fiduciaries
 - Dispositions
 - Decisions and Powers
 - Health & Financial
 - Titling and Beneficiary Designations

- Documents
 - POA
 - AMD
 - Wills
 - Trust

+ 2. Review or Create a Plan(cont.)

- Durable POA
 - Appoint surrogate decision-maker for financial decisions
 - Written instrument appointing agent
 - Creates fiduciary relationship
 - Survives Incapacity
 - DEFAULT:
 - Conservatorship – court process
 - Limited ability to:
 - Transfer assets between spouses or use income
 - Cannot sell real property
 - Cannot develop asset protection plan
 - Cannot change beneficiary

+ 2. Review or Create a Plan(cont.)

- Advance Medical Directive
 - Appoint surrogate decision-maker for medical decisions
 - Should be prepared in state where you live
 - Living Will
 - End of life care
 - Terminal condition or persistent vegetative state
 - No extraordinary means
 - Medical POA
 - Makes decisions
 - Effective when you cannot make decision yourself
 - DEFAULT:
 - Statutory decision-maker
 - Guardianship

+ 2. Review or Create a Plan(cont.)

- Will
 - Tool to dispose property at death
 - May not be best option for all situations
 - Estate tax planning
 - Second marriages
 - Minor children
 - Spendthrift or special needs
 - DEFAULT:
 - Intestate succession
 - All to spouse
 - 1/3 to spouse and 2/3 to children of prior relationship
 - If no next of kin, then to Commonwealth of Virginia

+ 2. Review or Create a Plan(cont.)

- Trust
 - Contract
 - Owner = Trustee
 - Manage and distribute property according to the terms of the trust
 - Management of assets if incapacitated
 - Disposition at death

+ 3. Plan for Long-Term Care Expenses

- In-home care:
 - \$3,636 for 40 hours a week

- Nursing home Care:
 - \$7,002 for Semi-Private Room
 - \$7,832 for Private Room

- Assisted Living Facility:
 - \$4,627 for private room

- Adult Day Care:
 - \$74 a day

Figures are from the 2019
Genworth Cost of Care Survey

+ 3. Plan for Long-Term Care Expenses (cont.)

- Benefits
 - Medicaid
 - VA Pension
- Crisis planning
 - “Spend down”
- 5-year planning
 - Low value = less penalty
 - Place in trust
 - Protection
 - Tax benefits
- Long-term care insurance

+ 4. Financial Planning

- DO NOT PANIC
 - Emotion should not change your long-term plan
 - Discuss concerns with your investment advisor
- A solid financial plan – volatility considered
 - Emergency Funds
 - Assess Cash Flow
- No plan - meet with professional
- CARES Act
 - RMD elimination in 2020
- Gifting & Roth Conversions

+ 5. Understand Available Benefits

- Enhanced Sick Leave
 - 6 Applicable Scenarios
 - Two weeks (80 hours) at regular pay up to \$511 a day (\$5,110 max)
 - State, federal or local quarantine or isolation
 - Doctor advised quarantine
 - Symptoms and seeking diagnosis
 - Two weeks (80 hours) at 2/3 normal pay up to \$200 a day (\$2,000 max)
 - Caring for family member subject to quarantine
 - Caring for children if schools or closed or caregiver unavailable
 - Experiencing substantially similar conditions as specified by the Secretary of Health and Human Services

- Enhanced FMLA
 - Child out of school and cannot work (or telework)
 - 30 days employed
 - 10 days unpaid
 - Additional 10 weeks at 2/3 normal pay up to \$200 a day (\$10,000 max)

+ 5. Understand Available Benefits (cont.)

- Enhanced Unemployment Benefits
 - Wait eliminated
 - Expanded coverage
 - Self-employed
 - Part-time
 - Insufficient work history
 - Otherwise would not qualify
 - \$600 flat on top of regular state benefits
 - 4 months

+ Start Planning...

- Avoid procrastination! It is never too early, nor too late, to start planning.
- You need a planning partner who:
 - Understands your family circumstances and dynamics.
 - Is experienced in all areas of planning.
 - Can implement all planning options.
- You need a comprehensive plan that incorporates all the planning opportunities





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- ❖ Estate Planning
- ❖ Asset Protection Planning
- ❖ Life Care Planning
- ❖ Long-Term Care Planning
- ❖ Veterans Benefits
- ❖ Financial Planning
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- ❖ Guardianship and Conservatorship
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