

Asset Preservation

I often prepare trusts, gift planning, and other techniques to protect a client's assets. However, there are certain techniques everyone can employ.

There are a few things that may seem like common sense but are easily overlooked.

- A. Live a healthy lifestyle and don't procrastinate. Take care of any medical, financial, personal problems as soon as they present themselves.
- B. Understand what insurance policies you have and ensure you're neither over-insured nor under-insured. Including:
 - 1. Medicare, Supplement, Advantage Programs,
 - 2. Medical,
 - 3. Life,
 - 4. Long Term Care,
 - 5. Car, Home, Boat, Motorcycle,
 - 6. Umbrella Coverage.

Require that the insurance company notify a third party before terminating any policies to avoid a lapse in coverage.

- C. Know your finances. Meet with your financial planner at least once a year. Know your Sources of Funds—to pay your expenses and how you plan to pay expenses. These sources can include:

- 1. Medicare/Medicare Advantage Programs
- 2. Medicare Supplement(s)
- 3. Medicaid
- 4. VA Benefits--Aid and Attendance; VA Hospital and Long Term Care Facility
- 5. Private Insurance
- 6. Long Term Care Insurance—multiple products; NJ Partnership
- 7. Private Funds

- D. Clearly share your expectations and plans with your family to avoid conflict and litigation. Write down your intentions. Ensure that any agreements for a loan or gift are in writing. This will also help prevent discourse and disputes between family and friends.

- E. Confirm that all of your assets are titled properly. Check if your assets are joint or payable on death (POD) and ensure that asset titles align with your desires and intentions. Review your beneficiaries on bank accounts, life insurance, etc.

F. Unclaimed Property. On your birthday each year, check for Unclaimed Property. If assets have been transferred to Unclaimed Property, you can recover them—they are still yours. Just Google – NJ Unclaimed Property to get started.

G. In today's world, having legally valid and enforceable documents is essential to ensure that your wishes are honored and your assets are protected. These documents include:

1. **Will**—appoint someone to manage your estate and specify beneficiaries. Create trusts to protect beneficiaries. This is crucial for minor children, special needs loved ones, and shielding assets from creditors.
2. **Living Will**—express your end-of-life wishes clearly and appoint someone to enforce them.
3. **Power of Attorney/Healthcare Proxy**—the most critical document of all. It allows someone you trust to make decisions about your care and assets.
4. **Irrevocable Trust**—offers estate tax protection after 3 years and protects assets from Medicaid, VA, and creditor claims. Look back periods apply, make sure to plan early.
5. **Revocable Trust**—helps avoid probate. While it offers no tax creditor or Medicaid protection, it ensures a smoother asset transfer process.
6. **Pre-Nuptial Agreements**—these documents can save time, money, and stress by preventing costly divorce negotiations and litigation.

Taking a few smart, proactive steps now can save you and your loved ones from stress, conflict, and financial hardship in the future.