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In this issue of our newsletter, you will learn about recent changes in Ohio and federal estate tax, facts you should know about nursing home Medicaid planning, what motor vehicle title options are available to you, and more.

If you have questions or would like to schedule a meeting to discuss your needs, please call us at (513) 251-4900.

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### Upcoming Seminars:

Wills & Estate Planning  
**October 12<sup>th</sup>**

Medicaid Planning  
**October 19<sup>th</sup>**

See inserted flyer for details.

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## Nursing Home Medicaid Planning

As you may be aware, two years ago our practice expanded into the area of nursing home Medicaid planning. Full nursing care can cost \$70,000 to \$100,000 per year; even families that have saved well can deplete their assets quickly under these circumstances.

Medicaid planning often involves ways of preserving some of the family's hard-earned assets when a spouse or parent needs full nursing care. These funds can be set aside to supplement the individual's care during his or her life and then pass to the family at death.



The rules of Medicaid are very complex, and proper planning requires the assistance of an experienced professional. Dave Kammer has the expertise to help with your Medicaid planning needs.

He has guided many families through the Medicaid planning and application process. To provide the best advice to our clients, Dave regularly meets with a group of Medicaid planning attorneys

to stay up-to-date on the latest issues in Medicaid law.

Many misunderstandings and over-

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## Ohio Estate Tax Repealed

Earlier this summer, the State of Ohio passed legislation to repeal the Ohio estate tax, effective January 1, 2013.

### Ohio Estate Tax Rates

| 2011-2012             |          | 2013 -    |          |
|-----------------------|----------|-----------|----------|
| Assets                | Tax Rate | Assets    | Tax Rate |
| \$0 - \$338,000       | 0%       | Any level | 0%       |
| \$338,000 - \$500,000 | 6%       |           |          |
| \$500,000 +           | 7%       |           |          |

Starting in 2013, no estate will be subject to the tax, regardless of the size of the estate. For the remainder of 2011 and 2012, however, the present schedule of taxes will continue as shown in the table to the left.

For federal estate tax purposes, the exemption level for 2011-2012 has been raised to \$5 million (\$10 million for a couple) and the tax rate has been reduced

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## Ohio Estate Tax Repealed

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to 35%. While the exemption amount automatically reverts to \$1 million in 2013, many expect Congress to keep the federal exemption amount and rate similar to current levels.

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A comprehensive estate plan requires us to consider many issues. The general goal is to minimize taxes, fees, and expenses, so that the estate beneficiaries receive the greatest amount possible.

With the recent changes in estate tax, the remaining factors take on even more prominence. These include: probate avoidance to reduce legal fees, minimizing income tax on tax-deferred assets such as IRAs and annuities, minimizing capital gains tax by obtaining a step-up in basis for relevant assets, and preserving assets for your family through nursing home Medicaid planning. [N](#)

## Off-Site Legal Work Available

If you have a loved one who is in need of legal work but is unable to come to our office, we can come



to them. We charge extra for an off-site meeting, but are happy to be able to offer this convenient option to our clients for their Wills, Powers of Attorney, or nursing home Medicaid planning.

## Understanding Title Options for Motor Vehicles

Many individuals re-title their motor vehicles to name a joint owner or a beneficiary, for the purpose of minimizing the involvement of the Probate Court at their death. Probate avoidance for cars, motorcycles, and boats can be especially confusing; therefore, it is important to understand the options before making any changes.

There are four ways to hold title to a motor vehicle in Ohio: Individually, Individually with a Transfer on Death designation, Jointly, and Jointly with Rights of Survivorship.

**Individual.** An individually-held vehicle must pass through the Probate Court at the owner's death, unless the title is being transferred to a surviving spouse.

**Surviving Spouse Rule:** At the owner's death, up to two passenger vehicles or motorcycles may be transferred into the surviving spouse's name without the involvement of the Probate Court, provided the total value of the two vehicles is \$40,000 or less. In addition, a surviving spouse can also take title to one boat and one outboard motor in the same manner.

**Individual, Transfer on Death.** An individual can

choose to make a Transfer on Death designation on the title of their car, motorcycle, boat, or outboard motor. Upon the death of the registered owner, the vehicle will be transferred to the beneficiary by the local title office.

**Joint.** By default, in the State of Ohio, when a vehicle title includes two or more names, the vehicle is owned jointly as tenants in common, not in survivorship. In the case of two owners, this means that each one owns half of the car. When one owner dies, his or her half must pass through the Probate Court, according to the Will. *If the deceased owner has a surviving spouse, the one-half interest in the vehicle may be transferred according to the Surviving Spouse rule above.*

**Joint, with Rights of Survivorship (JWROS).** If the title specifically includes the term WROS, then the title is held as joint owners with rights of survivorship. Should one of the owners die, the vehicle would be transferred to the surviving joint owner by the local title office.

It is a relatively simple process to make any of these changes to a title. More information can be found at your local auto title office or at [www.courtclerk.org/auto\\_title.asp](http://www.courtclerk.org/auto_title.asp). [N](#)



## Nursing Home Medicaid Planning (Continued from page 1)

simplifications circulate about the Medicaid process and the complex rules involved. We find that people are often confused about whether they need to spend all of their assets before applying for Medicaid; others are confused about the five-year look-back rule for gifts.

Dave Kammer can explain the rules of Medicaid and form a plan that is appropriate for your family.

### Did you know . . . ?

- Did you know that there are many strategies that can be employed to **maximize the assets of a married couple** when one spouse is at home and the other is entering full nursing care?

The nursing-home-bound individual can have his or her care paid by Medicaid, without impoverishing the healthy spouse. For example, the healthy spouse can keep their **home of any value, one car of any value, and up to a maximum of \$110,000 of other assets.**

- Did you know that the **“5-year look-back”** rule is not an absolute prohibition on gifting, but instead provides a penalty for gifts made during that five-year period? **An experienced professional can minimize this penalty period, while preserving many of the family’s assets.**
- Did you know that it is often possible to preserve assets through a **gifting plan after an individual has entered the nursing home?**

- Did you know that **gifts to a disabled child** are not penalized?

If nursing home care is foreseeable, or if a family member is already in a nursing home, you may be able to benefit from advice about the issues surrounding Medicaid.

We offer free educational seminars to explain some of the most common Medicaid issues — see the enclosed flyer for details. To discuss specific cases, however, we recommend that you set an appointment with Dave to review your individual circumstances (a fee will be charged). [☞](#)

### Medicare vs. Medicaid

**Medicare** is a government health insurance program for older Americans. Medicare does not cover long-term nursing home care—only short-term rehabilitation stays.

**Medicaid** is a state-run program with many facets, including coverage of nursing home care when one’s own assets are insufficient. With the high cost of nursing care and Medicaid’s complex eligibility rules, it is important to start Medicaid planning long before your assets are depleted.

## Keeping Estate Documents Current



**W**ills, Powers of Attorney, Living Wills, and Healthcare Powers of Attorney should be revised when circumstances change, such as the death or incapacity of a person named as

a beneficiary, attorney-in-fact, or executor. Even absent such changes, some estate planning documents should be routinely updated, just to keep them current.

It is most important to keep your **Power of Attorney** current – we recommend updating it every five years. Financial services companies, such as banks, are not legally required to accept a Power of Attorney. We find that institutions are increasingly likely to reject a Power of

Attorney if it is more than three to five years old. Moreover, continual changes in the law make it advantageous to keep this document up to date.

Ideally, **Living Wills** and **Healthcare Powers of Attorney** should be updated at least every five years, to incorporate changes in Ohio law.

If you are over age 80 or are in poor health, we recommend that you update your Power of Attorney, Living Will, and Healthcare Power of Attorney every three years because you are more likely to need someone to act on your behalf.

Regarding your **Last Will and Testament**, as long as the executors and distributions to named beneficiaries are as you desire, there is no need to make an update. [☞](#)

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## Spotlight on Staff: Carol Metz



*Carol Metz*

Many of you have seen Carol Metz when visiting our office – stationed in the reception area directly behind the main desk. As a paralegal, Carol works primarily with the drafting and signing of Wills, Trusts, Powers of Attorney, and Deeds. She has worked as part of our staff since June 2004, and has prepared countless legal documents in that time.

Carol is excellent at her work; with a keen eye for detail, she adds skill and expertise to the preparation of estate-planning documents for our clients. She enjoys “the process of working with the attorneys to draft language that is clear, concise, and gets the job done.”

Carol states, “A highlight of my years here has been to attend some of the ‘Trust Group’ meetings of eight lawyers, to overhear their discussions and play a part in the creation of our estate-planning documents. I learned so much. Also, I am grateful to work for people whose integrity I can totally trust. My moral compass never has to tilt, and that’s very important to me.”

According to Carol, “My favorite aspect of the work is meeting with our clients and hearing their stories. The diversity of clients and their circumstances keeps my work interesting.” The most rewarding part of her work is knowing that her efforts have reduced anxiety for our clients and provided them with peace of mind. She is especially pleased when clients find the estate-planning process simpler than they anticipated.

A native of Missouri, Carol has lived in Cincinnati for 32 years. She and her husband, Joe, are the parents of three grown children and are avid Reds fans. 