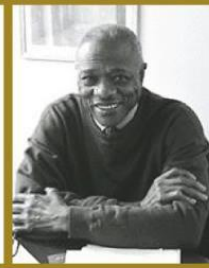




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TOP 10 LEGAL CHECKLIST

As you prepare for your later years, planning is crucial. To guide you in this process, Grimaldi & Yeung has compiled a checklist of important legal documents and areas you and your family need to consider to retire and age successfully:

- 1 **Health Care Proxy**
A “Health Care Agent” under the NYS Health Care Proxy will be able to make medical decisions on your behalf if and when you are unable to make decisions on your own. This document can appoint one individual in the role as your agent and a successor agent. This document must be signed before two witnesses.
- 2 **Living Will**
This is your statement of your health care choices when you are terminally ill, particularly with a focus on end-of-life issues. It provides clear evidence of your wishes to help instruct your Health Care agents and your Medicare providers.
- 3 **Power of Attorney (POA)**
When you sign a Power of Attorney, you appoint a person known as your “agent”, whom you trust to handle your legal and financial affairs should you become incapacitated. This form should be reviewed every three years. The NY State standard form, called the New York State Statutory Short Form Durable General Power of Attorney. It can include the power to make lifetime gifts, as well as implement tax & Medicaid planning. In addition, the NYS Power of Attorney law provides that banks and financial institutions must accept the New York form or face possible penalties. The Power of Attorney must be signed by the principal and the agent before a notary in order to be active.
- 4 **Gift & Estate Tax Planning**
Your wealth passing after death may be subject to federal and state estate taxes. Estate Planning can reduce this tax burden for your beneficiaries and ensure your family receives the assets you worked so hard to acquire. Federal and state law provides a credit amount which exempts estates which are less than the credit amount. Note the federal and estate tax credit can change by law. Our current federal estate tax law will sunset in 2025.
- 5 **Medicare, Medicare Part D + Choice and Medigap Policies**
Almost everyone over 65 or disabled will have Medicare and therefore, must make an election as to which type of coverage will be best for them. These plans change on a yearly basis. Since your health condition may also change over time, your Medicare coverage should be reviewed yearly. Medigap policies may be needed to off-set or help you pay the hospital and medical costs and co-payments not covered by Medicare. Medicare Part D covers prescription drugs. Individuals must select coverage during the set enrollment period.

- 6 **Long Term Care Insurance**
If you have a concern about the cost of long term care, this is the time to shop and determine whether or not long term care insurance makes sense for you. You may need insurance to specifically cover long-term health costs such as nursing home, home care and assisted living care. In addition to your standard health insurance coverage, these policies can give you the ability to meet the catastrophic costs of long-term care.
- 7 **Joint Assets & Designated Beneficiaries**
Joint assets are useful to avoid the probate process. When two people jointly hold title to an asset, the surviving owner will become the sole owner. These assets will not be subject to probate and will pass to the joint owner or named beneficiary.
- 8 **Last Will & Testament**
A Will provides instructions on the distribution of your assets upon your death. A Will needs to be reviewed and updated every few years to adapt to changes in your family situation, your asset holdings or the state laws. A Will must go through probate in the Surrogate's Court of the County in which the decedent resided. If you have property in multiple states such as a vacation or second home, this can result in probate proceedings in each of the states in which the property is located. This will cause delays and costs in settling an estate. All heirs must consent to the probate proceeding, even if they are not mentioned in the Last Will and Testament making probate complex.
- 9 **Living Trust**
If you have substantial resources or complicated assets held in multiple states or you anticipate a challenge to the validity of your Will, a living trust can avoid the cost and delay of probate. A living trust can shelter your assets from creditors and can provide for special needs of disabled heirs. There are several types of Living Trusts: Revocable, Irrevocable, Medicaid & Special Needs Trust. In developing a proper estate plan you should consider the benefits of Living Trusts.
- 10 **Retirement Funds, IRA's & Income Tax**
You need to regularly review your retirement fund portfolio, which includes such plans as IRA's, 401(k)'s, Roth IRA's, tax deferred annuities and other qualified retirement assets. Update your investments and your beneficiary designations as your family or situation changes. Retirement savings are a central part of the financial security of the later years and an important source of your income. Distributions from these types of accounts have income tax liability as tax deferred assets.