

# Ladies in LAW<sup>®</sup>



**WE HELP YOU PROTECT YOUR LEGACY!**

(313) 774-2787

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ACCESSIBLE LEGACY PLANNING

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### HELPING YOU PROTECT WHAT'S IMPORTANT TO YOU

Your Legacy encompasses all the assets you've spent a lifetime working hard to accumulate. We help families and individuals plan their Legacies so that their loved ones are properly cared for in the future. Failure to plan can leave a mess, with families facing court and conflict when they are at their most vulnerable. A sound plan gives you the peace of mind of knowing that your affairs are in order for the day when you're unavailable or unable to manage them.

**Please bear in mind, this guide is simply an introduction to the field of Legacy Planning and does not constitute, nor should it be considered as being, legal advice.**



**T: (313) 774-2787**

**E: [operations@theladiesinlaw.com](mailto:operations@theladiesinlaw.com)**

**W: [www.theladiesinlaw.com](http://www.theladiesinlaw.com)**



## INTRODUCING JAZZY D. RIPPY & AMEENA R. SHEIKH - CO-FOUNDERS

Jazzy D. Ripsey and Ameena R. Sheikh (pronounced “shake”) are the Co-Founders of LADIES IN LAW®, a minority, woman-owned boutique law firm located in downtown Detroit. They specialize in Legacy Planning, which consists of Wills, Trusts and Powers of Attorney. The purpose of Legacy Planning is to protect, preserve and control your assets, finances, businesses and health decisions, during your lifetime and after. **As 55% of Americans do not have a Will**, LADIES IN LAW® set its mission to make Legacy Planning more accessible through attainable pricing and educational outreach, and a streamlined process.

LADIES IN LAW® has been recognized as a leader in the legal field by Marquis Who’s Who America, National Trial Lawyers Top 40 under 40 Michigan and Expertise.com. Jazzy and Ameena have been featured in The Michigan Chronicle, Detroit Legal News, Michigan Lawyers Weekly, BLAC Detroit and Close Up Radio with Doug Llewelyn.

Both Co-Founders graduated magna cum laude in the top 10% from their law schools, The University of Toledo College of Law and Wayne State University Law School, respectively. Following law school, their paths crossed while working at a prestigious business law firm in downtown Detroit. After honing their skills at the firm but realizing that large corporate law was not their passion, they ended up leaving the firm but initially went in separate directions.

Jazzy pursued her dream of entrepreneurship and started her own law firm geared toward helping individuals. Ameena’s adventurous spirit took her to California, where she became licensed to practice law and worked for a boutique law firm in Los Angeles. Ameena eventually returned home to Detroit and teamed up with Jazzy to form LADIES IN LAW® in January of 2019.

Both Jazzy and Ameena value diversity and giving back to their community. Jazzy is on the board of the Michigan Arthritis Foundation, assisting with its diversity, equity and inclusion efforts. Ameena is a board member of Figure Skating in Detroit, a non-profit organization serving girls of color by combining leadership and academic programs with figure skating training.

## WHAT OUR CLIENTS ARE SAYING ABOUT US

“LADIES IN LAW was very professional and quick. They understood my needs and my POA paperwork for my grandma is perfect. **I highly recommend.**”

- **Curtisha H.**

“Going through the Legacy Planning process for the first time, it was very reassuring to work with someone who was **both professional and personal.**”

- **Micah R.**

“I received outstanding customer service from LADIES IN LAW. They were **very polite and helpful.** Everything was explained in detail and I was kept informed along the way.”

- **Natalya F.**

“I had a great experience with this office. I was treated with respect and I was **NEVER** once judged with anything, as I was treated amazingly.”

- **Heather B.**

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# LADIES IN LAW® IN THE MEDIA

## Michigan Chronicle

“Ladies in Law” Challenge Traditional Expectations

## LegalNews.com

The network of people and information behind the law.

Former Bodman attorneys launch new law firm

## MICHIGAN Lawyers Weekly

Minority women create Detroit law firm, build their brand

## VoyageMichigan

Hidden Gems: Meet Jazzy Rippy and Ameena Sheikh of LADIES IN LAW®

## BLOG TALK RADIO

Close Up Radio Spotlights Ladies in Law Jasmine Rippy and Ameena Sheikh

BLACK LIFE, ARTS & CULTURE

## BLAC

detroit

Minority Women-Owned The Rippy + Sheikh Law Firm PC Upsets the Status Quo



Jasmine D. Rippy, Esq. has been Inducted into the Prestigious Marquis Who's Who Biographical Registry

Ameena R. Sheikh, Esq. has been Inducted into the Prestigious Marquis Who's Who Biographical Registry



# OUR MISSION – TO PROTECT WHAT YOU HAVE WORKED HARD TO ACQUIRE

“We make Legacy Planning accessible.”

Our mission is to make Legacy Planning accessible to the masses through attainable pricing, educational outreach, and a streamlined process.

## Did you know that 55% of Americans die without a Will or a Legacy Plan?

The fact that you’re reading this leads us to believe you also haven’t bothered to write a Will or create a Legacy Plan yet either. But we’re assuming you plan on getting around to it soon. Just remember, the majority of those who died without a Will or Legacy Plan probably had the same idea too!

## So, in case you’re procrastinating...

Did you know that when you die without a Will or Legacy Plan, the State takes over your assets and decides who receives them? Yes, you read that correctly! Everything you have worked hard all your life to acquire will then be distributed according to State Laws and **NOT** as you would like.

And let’s not forget, by not planning, you **GUARANTEE** your assets will have to go through probate court – which is expensive, time consuming and public knowledge. Oh, and then there are estate taxes to consider...

So, while we understand it’s an uncomfortable subject, putting this off really is a bad idea. Life is short. Planning your future now ensures you remain in control and helps you avoid rushed and potentially bad decisions down the road.

If you find this daunting or overwhelming, don’t worry we’re here to help guide you through this process. Furthermore, with our accessible pricing, we have made Legacy Planning attainable for virtually anyone, so you really have no excuse to put it off any longer.

Our prices are a fraction of what other law firms charge for Legacy Plans, which typically start at \$2,500. This is out of reach for a lot of people and goes against our mission of making Legacy Planning accessible. For this reason, LADIES IN LAW® has **reduced its prices by 70%** and offers cost-effective packages for you, which include an initial **1-ON-1 CONSULTATION**. We also ensure that you receive a complete Legacy Plan that encompasses all your specific needs with Legacy Plan packages.

However, before we take that step, we invite you to take some time to read through this guide. We have designed this as an introduction to Legacy Planning and the services we offer. We are positive you’ll find it educating and insightful. Of course, after you’ve completed it, we look forward to hearing from you and ultimately helping protect what you’ve worked hard to acquire.

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**T:** (313) 774-2787

**E:** operations@theladiesinlaw.com

**W:** www.theladiesinlaw.com



# OUR PACKAGES & PRICING

	<b>POWER \$400</b>	<b>PROTECTION \$750</b>	<b>CONTROL \$1,450</b>	<b>UNITY \$2,250</b>
<b>Financial Power of Attorney</b>	✓	✓	✓	✓✓
<b>Medical Power of Attorney</b>	✓	✓	✓	✓✓
<b>Additional Medical Directives</b>	✓	✓	✓	✓✓
<b>Will</b>		✓	✓	✓✓
<b>Trust*</b>			✓	✓✓**

\*\*Choice of 1 Joint Revocable Living Trust OR 2 Separate Revocable Living Trusts

\*If you are concerned about a child with special needs, your long-term care expenses, or future creditor protection, we also offer specialty Trusts to help you through those situations.

## WHAT IS LEGACY PLANNING?

### What is Legacy Planning?

Legacy Planning is the process by which you protect, preserve, and control your assets, finances, businesses and health decisions during your lifetime and after. A Legacy Plan achieves this with several legal instructional documents such as Wills, Trusts, and Powers of Attorney. While typically called estate planning, we use the term Legacy Planning because we believe these aspects of your life make up your Legacy.

### Why is creating a Legacy Plan important?

By creating a plan, you ensure **YOU REMAIN IN CONTROL**.

You've worked hard your whole life to gain what you own. Whether it's your home, business or other valuable assets, we believe you deserve to decide what happens to them after you die. A Legacy Plan is the only way to ensure this happens. By creating one, you decide who receives what and how they'll receive it, while at the same time minimizing or even avoiding tax exposure.

Without a Legacy Plan, the State takes over your assets and decides who receives them. Is that something you're comfortable with?

### But isn't a Legacy Plan only really necessary for rich people?

You may think, "I don't have much, so therefore I don't have a Legacy." We get that. When most people think of a "Legacy," they think of large expensive houses, yachts and millions of dollars in investments. However, your Legacy is essentially anything that you own or protect. You have a Legacy if you have things that you want to give to your heirs or if you have heirs to protect. No matter how much money you have in the bank, you should still control and decide your Legacy Plan instead of the court. Remember, you earned it, why should anyone else get to decide?

### In fact, by not creating a Legacy Plan, you can expect some, or all, of the following problems being created:

- Unnecessary exposure to death taxes
- Family disputes over your assets are more likely
- Additional and unnecessary attorney fees and court costs
- Other people, who you don't know, will have a big say in how your assets are distributed and who will become guardians of your children

### What documents does an effective Legacy Plan require?

We believe the following documents are essential:

- Last Will and Testament to designate your beneficiaries, name your personal representative or executor, and choose a guardian for your children if you and your spouse have both passed away, or are incapacitated.
- Financial Power of Attorney to designate someone to take care of your financial matters if you become incapacitated.
- Medical Power of Attorney to designate someone who will make medical decisions if you are unable to make them yourself.
- And potentially a Trust, should you wish to avoid probate and maintain the additional privacy and control a Trust provides.

Don't worry if you do not recognize any, or just some, of these terms. The following sections will look at each of these documents individually, explaining what they mean and their importance in an easy-to-understand manner.

### How will we help you create a Legacy Plan?

We understand that Legacy Planning may seem overwhelming, but don't worry. During your initial **1-ON-1 CONSULTATION**, we'll lead the way. We ask you questions that will allow us to gain a complete understanding of your full financial picture and goals. Then we recommend and tailor a Legacy Plan to your unique circumstances.

### Finally...

We also pride ourselves on our relationships with other professionals and service providers in our community. We strive to provide educational resources to our partners and work simultaneously with them to be available for their clients' needs. We strongly believe in the "planning team concept" – ensuring planning is a collaborative effort between ourselves and the other services you may inevitably require, such as a financial advisor, Certified Public Accountant (CPA), insurance agent, and healthcare providers among others. Through these relationships, we want to ensure all clients have access to professionals that will be able to assist and guide them through their life's journeys. You will find the logos of some of those organizations featured opposite, as well as later within their relevant sections, for your benefit.

## OUR LOCAL PARTNERS

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**LADIES IN LAW®**

**T: (313) 774-2787**

**E: operations@theladiesinlaw.com**

**W: www.theladiesinlaw.com**

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# WILLS

## What is a Last Will and Testament?

A Last Will and Testament is a document that allows YOU to decide how your assets (i.e. any property you own, cash, possessions, business, etc.) will be distributed upon your death. Furthermore, you should also use your Will as an opportunity to make your wishes known on other important details, such as appointing a guardian for any minor children you have and making your wishes known regarding your funeral, burial or cremation and/or memorial.

This is an opportunity to take control and outline your wishes, and can help ensure your Legacy lives on for generations to come.

## What happens if I die without a Will?

If you die without a Will, it means you have died “intestate.” Essentially, this means the State takes over your assets and decides who receives them. In most cases, this means your loved ones are not guaranteed to benefit in the way you would have hoped. See the chart on the next page to learn how Michigan intestacy laws would affect you and your family.

## If I do have a Will, what happens on my death?

Upon death, it’s likely that your assets will have to go through probate court to reach your heirs. Your Will must be filed with the appropriate probate court, which will begin the probate process.

## What is probate?

Probate is the process of transferring someone’s property upon their death or, put simpler, it is the process of getting items out of the name of a deceased person. Even if you have a Will, you may still need to go through this legal process. Your Last Will and Testament tells the judge what to do with your belongings. It is essentially the legal “roadmap” through probate, which involves:

- Filing the Will with the probate court, or if the person died without a Will, someone would have to petition the probate court to become an administrator of the estate
- Collecting details of the deceased person’s assets (filed with the court as a list, called the inventory)
- Paying all outstanding bills and taxes
- Filing a final income tax return for the deceased
- Distribution of the assets (this can take several years and some will be retained as a reserve for unexpected claims and costs)
- Filing a final account with the probate court – when approved, it will allow the personal representative or executor to distribute any remaining funds to the beneficiaries

## Be warned though...

Probate is expensive, time consuming and public knowledge, taking several years and 5-10% of the estate.

## Is it possible to avoid probate?

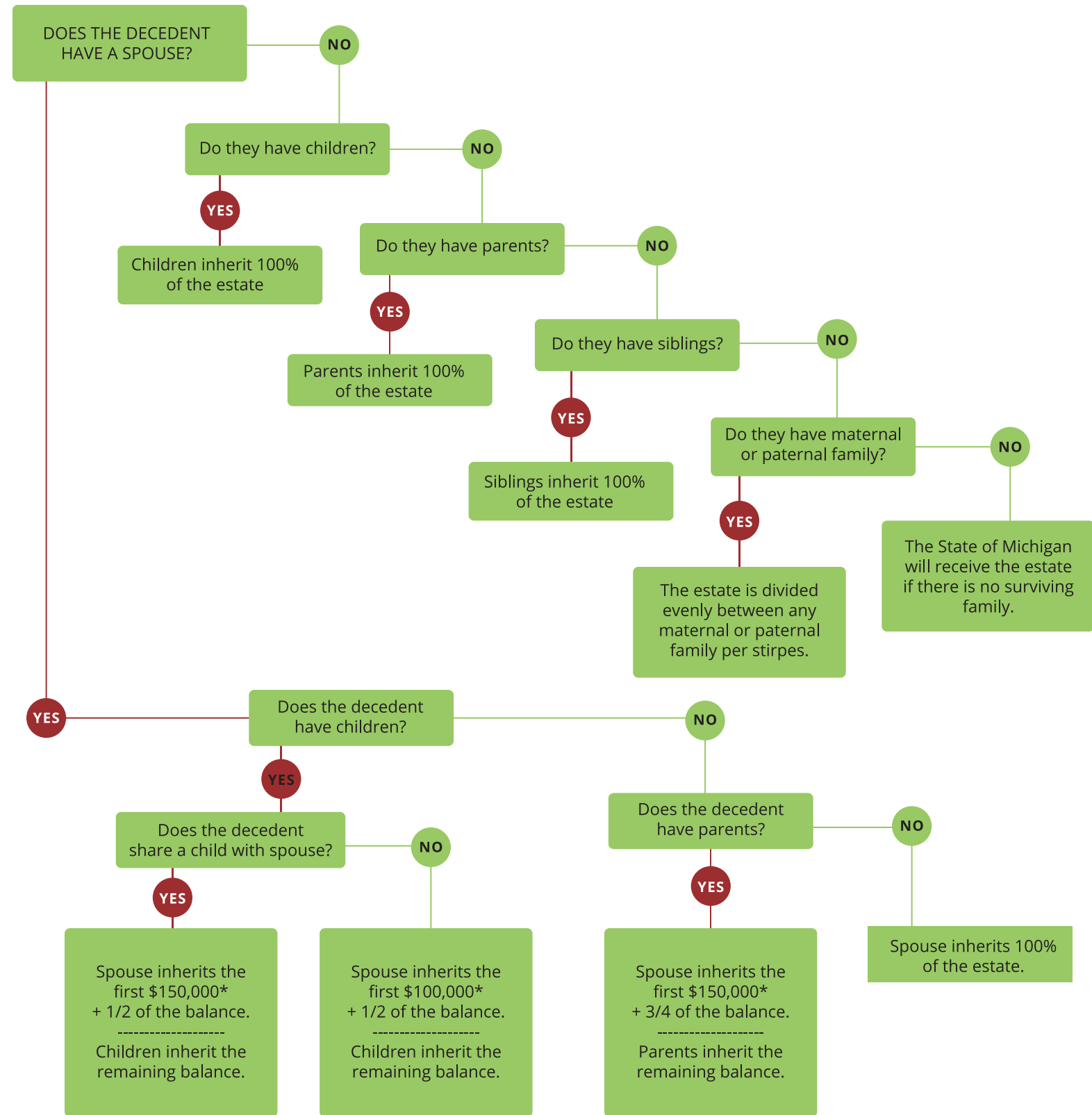
Yes, this can be achieved if you use a Trust, or even multiple Trusts, within your Legacy Plan, which are covered in the next section.

## Final thoughts...

Having a Will is better than nothing, because it ensures your assets will be distributed the way you want them to be. However, it is still subject to the probate court process, which can be time consuming, expensive and is subject to public record.

# INTESTACY SUCCESSION FOR MICHIGAN

What happens to property when someone passes without a Will?



\*These numbers are not adjusted for inflation. Disclaimer: The flow chart is a simplified visual for Michigan Intestate Succession laws. This chart is designed to provide information, not act as legal advice.

# TRUSTS

## What is a Trust?

A Trust is when one person (called the grantor) gives property or assets to another person (called the trustee), who then manages those assets for the benefit of a 3rd person or group of people (called the beneficiary or beneficiaries). For most Trusts, you can be the grantor, trustee and beneficiary during your lifetime with full control over your assets.

If that's confusing, one example would be a parent putting money in a Trust to be managed by an investor, for the benefit of their child.

## So, every Trust has...

- **the 'grantor or 'trustor'** – the person who puts assets (money, property, etc.) into a Trust and the document decides how the assets should be used. In the example given above, the parent is the grantor.
- **the 'trustee'** – the person who manages the Trust, according to how the grantor explains in the Trust agreement. They're responsible for the Trust's day-to-day running. Responsibilities include paying any tax that is due, deciding how to invest or use the Trust's assets, etc. In the example given above, the investor is the trustee.
- **the 'beneficiary' or 'beneficiaries'**- the people who benefit from the Trust. This can be one person or multiple people. They may benefit from the income of the Trust only (e.g. from renting out a house held in the Trust), the capital/principal only (e.g. getting shares in the Trust), or both the income and capital/principal. In the example given above, the child is the beneficiary.

## Now you understand how Trusts work, what can they be used for...

Having a Trust as part of your Legacy Plan allows you to achieve the following:

- **AVOID PROBATE:** The primary advantage of creating a Trust is to bypass the costly and lengthy probate court process. With a Trust, because nothing is in your name, your surviving loved ones don't have to trudge through the long delays and expensive fees associated with probate court proceedings when you die.
- **REDUCE ESTATE TAXES:** Trusts also make it possible to reduce or eliminate estate taxes. When Trust beneficiaries receive their distributions, they may not be required to pay taxes on the assets received.
- **MAINTAIN PRIVACY:** Probate proceedings are a matter of public record. Since a Trust bypasses probate, it helps maintain your loved one's privacy. Hence, the trustee can transfer assets to beneficiaries without the publicity or involvement of the probate court.
- **HELP SOMEONE THAT IS TOO YOUNG TO MANAGE THEIR AFFAIRS:** Also, you can keep assets, property, and funds in a Trust until a future date. With this, you're able to make adequate provisions for minor children until they reach a certain age.
- **HELP SOMEONE THAT CANNOT HANDLE THEIR AFFAIRS BECAUSE THEY ARE INCAPACITATED OR DISABLED:** If you have a disabled or incapacitated dependents, it's important to make suitable provision for them.
- **PROTECT YOUR ASSETS FROM BEING USED TO FUND LONG-TERM CARE:** The cost of long-term care is expensive and without proper planning, your assets will be used to fund it. By using a Trust, you can help prevent this and ensure you leave a Legacy for your family and loved ones.
- **ASSET PROTECTION:** Certain Trusts will also protect your assets from future creditors.

## Final thoughts...

Trusts are powerful tools that, when used as part of your Legacy Plan, will help you protect, control and preserve your assets. However, they are a highly bespoke and complex area of law. If established or administered incorrectly, Trusts can attract increased tax obligations and cause unnecessary confusion. For this reason, it's imperative that you seek legal advice before implementing them. Further, Trusts aren't just for "Trust fund babies." If you have any valuable assets (e.g. home, business, retirement accounts, etc.), you need a Trust.

# Will or Living Trust - Which is Better?

What is important to you?	Will	Living Trust
<b>Privacy</b>	No privacy. All documents and proceedings after death are public.	Completely private unless court intervention is required, usually due to improper drafting, lack of funding or loss of trustee.
<b>Probate</b>	Any assets featured will go through probate.	Any assets featured will avoid probate.
<b>Disability Planning</b>	No provisions for mental or physical disability. Need a Power of Attorney, updated every 2 years. A Power of Attorney cannot provide that disability be determined privately by family members and friends. Without one, the disabled individual is subject to the court process for guardianship.	Handles assets upon disability without court intervention. Need a Power of Attorney for non-Trust assets. A Trust can provide that disability be determined privately by family members and friends.
<b>Creditor/Predator Protection</b>	None while alive. Creditors have only a specified amount of time to present claims or they are forever barred. Testamentary Trusts can give protection.	None while alive. There is no creditor claim "shut-off" period and most trusts provide that valid debts be paid. Living Trusts which become irrevocable at death can give protection.
<b>Effort Required</b>	Less effort now unless you require tax planning and asset protection for your heirs, but a great deal of work for your heirs after disability or death.	More effort now to properly design the Trust to accomplish all of your goals upon disability and/or after death, but far less work for your heirs after disability or death.
<b>Cost Now</b>	Less	More
<b>Cost to Amend</b>	Similar	Similar
<b>Cost Later</b>	Probate fees usually start at \$4,000 in Michigan and may increase depending on creditor claims, disputes, and litigation.	Minimal probate fees if the Trust has been fully funded and properly maintained.

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**T:** (313) 774-2787  
**E:** operations@theladiesinlaw.com  
**W:** www.theladiesinlaw.com



# POWERS OF ATTORNEY

## What is a Power of Attorney?

A Power of Attorney is a legal document in which an individual appoints someone to serve as their Attorney-in-Fact (also known as their Agent) to make decisions on their behalf. There are different types that cover decision making in different aspects of your life. The two that we recommend are a Medical Power of Attorney and a Financial Power of Attorney.

## What is a Medical Power of Attorney?

Also known as a Health Care Power of Attorney, this allows you to appoint someone you trust to make medical decisions for you if you cannot do so, as a result of your incapacity. If you have heard of a Living Will before, a Medical Power of Attorney is superior as it covers all healthcare decisions, not just terminal illnesses and irreversible medical conditions.

**Example:** You need assisted living support and treatment. As your Medical Power of Attorney, your daughter is empowered to speak to doctors and facilities on your behalf to ensure you receive the best care possible.

## What is a Financial Power of Attorney?

This allows you to appoint someone you trust to handle your affairs (i.e. business, legal and financial decisions) if you cannot do so.

**Example:** You're unable to physically keep up with paying your house bills, including taxes, and are concerned about falling behind and losing your home. As your Financial Power of Attorney, your daughter is empowered to pay your bills by accessing your social security.

## Why does a Legacy Plan need Powers of Attorney?

Powers of Attorney are an essential Legacy Planning tool because they allow you to choose who you want to act on your behalf should you become incapacitated, and dictate what decisions they can or cannot make. If you cannot pay bills, get records, or make other decisions, without Powers of Attorney, your family will be prevented from helping you get treatment, pay doctors, or get qualified for Medicaid.

## What happens if I become incapacitated without a Power of Attorney?

Without Powers of Attorney, your family may have to go to probate court to seek guardianship of you. This process involves court hearings, multiple lawyers and is a very long process. The cost of a proper Legacy Plan is minimal compared to the amount you may spend in court fees. See the diagram on the next page for a comparison of the two processes.

## Factors to consider when appointing your Power of Attorney

In choosing who you want for your Power of Attorney, there are 2 major things that you should consider:

- **Location** — The person you appoint should live near you if they're dealing with medical decisions, or located in the city where financial affairs need to be handled.
- **Trustworthiness** — You should make sure that you trust this person to work and advocate for your best interests.

## Final thoughts...

Powers of Attorney are important because they empower people you trust to handle important affairs in your life if you are incapacitated. Whether it has to do with your property, financial transactions, or your health, if something happens to you, you are trusting this person with very significant matters.

## Power of Attorney vs. Guardianship

✓ Retained rights	✗ No retained rights
✓ Easily revocable	✗ Difficult to revoke
✓ No court involved	✗ Court-monitored
✓ Keeps matters private	✗ On-going reports required
✓ Peace of mind for both parties	✗ Possible psychological effects on potential guardian and ward
✓ Empowers someone YOU choose to handle your affairs	✗ May cause financial hardship for the potential guardian

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# WHY IT'S IMPORTANT TO CONSIDER LONG-TERM CARE PLANNING

Did you know that over **70% of people over the age of 65 will spend some time in a long-term care facility?** That is a staggering number. The cost of that care is amazingly high. The average cost of an assisted living facility in Michigan is \$3,850 per month. Nursing homes are more expensive. This can devastate even large estates. It is **ALWAYS** better to plan ahead than to wait until that time is upon you, because it's more likely to occur than you think.

## How do you pay for long-term care?

There are 3 different ways to pay for long-term care expenses:

### The First Way

The first is simply out of your current savings and investments. This is sadly how many people pay until they are destitute. Many times, it doesn't have to be that way.

### The Second Way

The second way is to have insurance pay the cost of long-term care. However, long-term care insurance can be difficult to get and is impossible if you wait until the time of need.

### The Final Way

Finally, the most common payor of long-term care is Medicaid. These benefits are only available if the person qualifies both medically and financially. Many people think they're not qualified for this benefit, and they're probably correct. However, just like a CPA can help you get the most out of the IRS's rules, we can help you get qualified and preserve a large part of your assets and still get your long-term care expenses paid for, totally or in part, by Medicaid.

### Final thoughts...

No matter what long-term care planning you do, you should always have a Legacy Plan in place.

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**T:** (313) 774-2787

**E:** [operations@theladiesinlaw.com](mailto:operations@theladiesinlaw.com)

**W:** [www.theladiesinlaw.com](http://www.theladiesinlaw.com)



# MEDICAID PLANNING

## What is Medicaid?

Medicaid is a government health care program that was designed to provide free or low-cost health coverage to certain categories of people, such as families with children, pregnant women, the elderly, and people with disabilities. Many States have expanded their Medicaid programs to cover all people below certain income levels.

## How does Medicaid planning work?

It involves structuring your financial resources to ensure the best possibility of being accepted into the Medicaid program. Medicaid has been designed with certain criteria in place, which means only people with a low income and with under \$2,000 in countable assets (in most States), qualify for it and therefore receive financial help with the cost of their long-term care.

Even though certain assets are excluded, it's still very easy to deplete your savings before Medicaid begins covering your long-term care expenses. However, the goal of Medicaid planning is to keep you from exhausting all your resources, while still being eligible for benefits.

## How will my finances be structured?

In most cases it involves creating Trusts, managing asset transfers, and converting countable assets into exempt assets to ensure eligibility and to preserve a family's wealth. LADIES IN LAW® can help you out with this process by creating a Long-Term Care Trust for you.

**CAUTION** – It is important to understand there is legislation in place where Medicaid officials will penalize you for making certain types of asset transfers for 60 months (5 years) prior to submitting your Medicaid application. This is called the “look-back period” and penalties vary depending on the amount transferred and the average cost of nursing care in your State, with the penalty taking the form of a delay until your Medicaid coverage starts. Without Medicaid planning, many people have to spend-down a significant portion of their assets to qualify, which reduces what they have to leave for their family.

## What types of asset transfers are exempt?

Examples of some exemptions include:

- Your spouse (although there are limits to the amount of assets your spouse can own and also to their monthly revenue, which if exceeded, will impact your Medicaid).
- A Trust for the sole benefit of your child who is blind or permanently disabled.
- A Trust for the sole benefit of anyone under age 65 and permanently disabled.

In addition, you may transfer your home to the following individuals (as well as to those listed above):

- A child who is under age 21.
- A child who is blind or disabled (the house does not have to be in a Trust).
- A sibling who has lived in the home during the year preceding the applicant's institutionalization and who already holds an equity interest in the home.
- A “caretaker child,” defined as a child of the applicant who lived in the house for at least 2 years prior to the applicant's institutionalization and who, during that period, provided care that allowed the applicant to avoid a nursing home stay.

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**E:** operations@theladiesinlaw.com

**W:** www.theladiesinlaw.com



Ok, now that I am aware of the “look-back period”, what are the tools I can use?

**Long-Term Care Trust** – There is an earlier section dedicated to Trusts, which we recommend you read in full. However, a Long-Term Care Trust can be used to help with Medicaid planning, because it involves you giving your property / assets to another person or institution (trustee) to hold for the benefit of another person (beneficiary – usually your children). This can help reduce the total countable assets you own to under the \$2,000 threshold necessary for you to qualify for Medicaid. Please note, a Long-Term Care (Medicaid) Trust is a form of irrevocable Trust, which, when formed, is irreversible and it is potentially subject to the 60 months (5 years) “look-back period.”

**Asset Transfers** – As explained above, there are some asset transfers that are exempt from the “look-back period,” however, one of the simplest actions you can take is to give your assets outright and directly to loved ones. Be aware though, those individuals have no obligation to use what you give them in the manner you had hoped or even discussed.

**Exempt Assets** – These include your primary residence, personal property and household belongings, one motor vehicle, life insurance with a face value under \$1,500, up to \$1,500 in funds set aside for burial, and certain burial arrangements such as pre-need burial agreements.

**CAUTION** – Although your primary home will not affect your eligibility for Medicaid, it can affect whether Medicaid will pay for your long-term care services, including nursing home care and home and community-based waiver services. Whether it does, or not, depends on the equity value of your home (which is the fair market value of your property minus any loans attached to it, such as a mortgage). Furthermore, it is also important if you own your home individually or with someone else. If it's jointly owned with another person, then the equity amount should be cut in half. In 2021, the Federal Government set the equity limit at \$603,000, with each individual State having the option of raising this limit to \$903,000.

## In summary, what are the benefits and limitations of Medicaid planning?

Effective Medicaid planning is another way of preserving your family's wealth and preventing financial issues later in life. However, early planning is crucial for some of these tools to work effectively. For example, the government can look back up to 60 months (5 years) to determine if you have made a disqualifying transfer.



# MEDICARE

## What is Medicare?

Medicare is the federal health insurance program for:

- People who are 65 or older
- Certain younger people with disabilities
- People with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called “ESRD”)

## What does it involve exactly?

There are different parts of Medicare that help cover specific services:

### • Medicare Part A (Hospital Insurance)

Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.

### • Medicare Part B (Medical Insurance)

Part B covers certain doctor's services, outpatient care, medical supplies, and preventive services.

### • Medicare Part D (Prescription Drug Coverage)

Helps cover the cost of prescription drugs (including many recommended shots or vaccines).

## Are there associated premiums?

### Most people do not pay a monthly premium for Part A.

You usually don't pay a monthly premium for Part A if you or your spouse paid Medicare taxes while working for a certain amount of time. This is sometimes called “premium-free Part A.”

### If you don't qualify, you can still pay for Part A –

If you aren't eligible for premium-free Part A, you may be able to buy Part A coverage. You'll pay up to \$499 each month in 2022. If you paid Medicare taxes for less than 30 quarters (7.5 years), the standard Part A premium is \$499. If you paid Medicare taxes for 30–39 quarters, the standard Part A premium is \$274.

### Everyone pays for Part B –

Most people will pay the standard Part B premium amount. The standard Part B premium amount in 2022 is \$170.10. If your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount plus an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

## How does Medicare work?

With Medicare, you have options on how you get your coverage. Once you enroll, you'll need to decide how you'll get your Medicare coverage. There are 2 main ways:

**1. Original Medicare** – Original Medicare includes Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance). You pay for the services as you receive them. When you get services, you'll pay a deductible at the start of each year, and you usually pay 20% of the cost of Medicare-approved services, called co-insurance. If you want prescription drug coverage, you can add a separate drug plan (Part D). Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. A Medicare supplement Insurance (Medigap) policy can help pay some of the remaining health care costs, like co-payments, co-insurance, and deductibles. Some Medigap policies also cover services that Medicare doesn't cover, like emergency medical care when you travel outside the United States.

**2. Medicare Advantage** – Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Medicare for your health and drug coverage. These “bundled” plans include Part A, Part B, and usually Part D. Plans may offer some extra benefits that Medicare doesn't cover — like vision, hearing, and dental services. Medicare Advantage Plans have yearly contracts with Medicare and must follow Medicare's coverage rules. The plan must notify you about any changes before the start of the next enrollment year. Each Medicare Advantage Plan can charge different out-of-pocket costs. They can also have different rules for how you obtain services.

### Medicare Prescription Drug Coverage (Part D) –

Medicare Part D helps pay for prescription drugs you need. To get Medicare drug coverage, you must join a Medicare-approved plan that offers drug coverage (this includes Medicare Part D Plans and Medicare Advantage Plans with drug coverage). Each plan can vary in cost and specific drugs covered, but must give at least a standard level of coverage set by Medicare. Medicare drug coverage includes generic and brand-name drugs. Plans can vary the list of prescription drugs they cover (called a formulary) and how they place drugs into different “tiers” on their formularies. Plans have different monthly premiums. You'll also have other costs throughout the year in a Medicare drug plan. How much you pay for each drug depends on which plan you choose.

### How does Medicare work with my other insurance?

When you have other insurance, there's more than one “payer” for your coverage.

# Ladies in LAW®



## Downsizing and Preparing Your House for Sale

Moving into a senior development or care facility can be a stressful time. However, with a little forward planning, it need not be! To help you with this transition we have prepared these top tips:

### Space planning

Time to get the tape measure out! Use the floor plans to confirm which furniture will fit in your new home. If you are struggling, ask the facility if they can provide space planning assistance, or alternatively, consider using a professional relocation and transition specialist.

### Sort your possessions into categories

Move, Maybe (move and decide later), Sell (at auction, yard sale etc), Give Away (family or friends), Donate (to charity) and Throw Out.

### Throw out strategies

The key thing is to resist the “maybe we will need it sometime” mindset. If it hasn’t been touched for more than a year, throw it away. Consider if it’s worth the cost and effort to pack, move and unpack. Still can’t decide? Put it in a sealed, unlabeled, and dated box; if unopened a year later, throw it away, unopened.

### Managing time

Start early, ideally starting before the house is listed, in case it sells quickly. Remember, most downsizing processes take 2-3 months. Try to set a schedule by room, week, month or other milestones.

### Preparing for a sale

And when you are preparing your house for sale, remember these 5 tips:

- 1. Make sure the buyer can see walls and floors** – cleaning up and clearing out the property of personal belongings is crucially important.
- 2. Fresh paint and floors** – make the home look refreshed and move in ready with paint and flooring. This will give the home a reasonably new and updated look, even if the kitchens and bathrooms are not renovated.
- 3. Eliminate red flags** – if there’s anything scary looking, like a big crack going down a wall or water stains on the ceiling, this can cause buyers to do one of 2 things: 1) ask for a big discount, or 2) walk out the front door and say “next.”
- 4. Other questions to consider:**
  - Do you replace the roof, HVAC, or repair any of the systems prior to selling?
  - Do you replace the kitchen countertops, cabinets or update the appliances?
  - Do you update the bathrooms?

All of these questions must be answered on a case-by-case basis and depend on the condition of the home, its age, budget and market competition.

- 5. Repair and upgrades must be neighborhood appropriate** – it doesn’t make sense to over-improve, relative to neighbors, because you may never see that money back in a sale.

### LADIES IN LAW®

T: (313) 774-2787

E: operations@theladiesinlaw.com

W: www.theladiesinlaw.com



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www.moghulandmain.com

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2937 E Grand Blvd, Detroit, MI 48202



## FINANCIAL PLANNING

As explained at the beginning of this guide, Legacy and later-in-life planning will require the input of professionals from a variety of different sectors. A financial advisor helps you create strategies for managing financial risk and building wealth over the long-term. They can give you a plan that puts you on track to achieve your financial goals. Typically, this will include:

**Retirement and pension planning** – with people living longer lives, it is important to have a plan in place for retirement. Typically, this will involve one or more pension products, which a financial advisor will be able to assist you with.

**Mortgage advice** – purchasing a property, for most people, will be the largest purchase they make and will typically involve borrowing money in the form of a mortgage loan. Furthermore, more and more people are choosing to invest in property, using buy-to-let mortgages or accessing funds later in life through equity release, which is a type of loan secured on a property. A financial advisor will be able to advise you on the various products and lenders available to you.

**Savings and investments** – there are a variety of ways in which you can choose to invest your money ranging from placing it in a bank account to investing in shares on the stock market. A financial advisor will listen to your goals as well as assess your attitude towards financial risks, before advising you on the various products and services that best match your overall goal.

**Insurance and protection** – these are covered in more detail in the following section.

### PLEASE NOTE...

There are various Federal and State organizations that regulate the activities of financial advisors by providing them with strict guidelines regarding how they can operate. *We can confirm that the companies featured in this guide are registered with the necessary Federal and State regulators. Therefore, they have demonstrated their adherence to their guidelines and are featured here for your convenience, but you are under no obligation to use them.*



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## Still considering your next steps?

Has your current financial advisor explained all the option for your Retirement Plan and ask all the right questions to ensure what's the best for your future?

At Edward Jones, we believe your preparation and financial goals are in our best interest. We're built for listening and we will partner with you through life, no matter what it brings.

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## INSURANCE

There are a variety of different insurance products available that can help protect every aspect of your life and that of your family.

### Health Insurance

Getting sick can be expensive. Even minor illnesses and injuries can cost thousands of dollars to diagnose and treat. Major illnesses can cost many times that. Health care coverage helps you get the care you need and protects you and your family financially if you get sick or injured. Health insurance can be provided through your job, provided through a government program like Medicare or Medicaid, or if you do not qualify for those, you may purchase a private health care plan.

### Life Insurance

We all want to protect what is important to us - our home and our loved ones. Dying is obviously not on your to-do list, but the reality is if anything happens to you, life insurance pays out a lump-sum, which will help ensure your family does not have to worry about money.

### Long-Term Care Insurance

This is insurance that is designed to help people pay the costs of long-term care. However, such insurance is not a cure-all because individuals with pre-existing conditions may not be eligible, premiums are expensive, policies have high deductibles and the services covered varies from insurer to insurer.

### Critical Illness Insurance

This insurance pays out a lump sum or regular payment, if you are diagnosed with a serious illness specified in your policy. This gives you peace of mind to help you concentrate on getting better.

### Income Protection Insurance

This offers short-term and long-term disability coverage that protects your income by paying a percentage of your pay check if you become disabled and can't work due to a medical illness, injury, or pregnancy.

### Mortgage Protection Insurance

This is insurance specifically designed to protect a mortgage, ensuring that your family home is secured, with the mortgage paid off in the event of your death.

### Please Note...

There are various Federal and State organizations that regulate the activities of financial and insurance advisors by providing them with strict guidelines regarding how they can operate. *We can confirm that the companies featured in this guide are registered with the necessary Federal and State regulators. Therefore, they have demonstrated their adherence to their guidelines and are featured here for your convenience, but you are under no obligation to use them.*

### LADIES IN LAW®

**T:** (313) 774-2787

**E:** [operations@theladiesinlaw.com](mailto:operations@theladiesinlaw.com)

**W:** [www.theladiesinlaw.com](http://www.theladiesinlaw.com)



## THE NEXT STEPS

We hope this guide has proved to be informative and helped you realize the benefits you will receive by taking a proactive approach to planning for the future of yourself and your loved ones.

Please bear in mind, this guide is simply an introduction to the field of Legacy Planning and does not constitute, nor should it be considered as being legal advice. LADIES IN LAW® offers a 1-ON-1 CONSULTATION to assess your specific needs.

From years of experience, our skilled attorneys have formed a streamlined process that ensures Legacy Planning is smooth, simple and attainable for you! All we need is an hour of your time and we handle the rest.

So, contact us today to schedule your 1-ON-1 CONSULTATION, within which will help ensure that you:

- **CONTROL** where your assets go after you die.
- **PRESERVE** your assets, so they don't bleed out before your loved ones receive their inheritance.
- **DECIDE** who will make your medical and financial decisions if you can't.



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**Nusrat Moghul**  
BROKER, REAL ESTATE ADVISOR  
313.241.0425  
nusrat@moghulandmain.com  
[www.moghulandmain.com](http://www.moghulandmain.com)

Detroit Office 2937 E Grand Blvd, Detroit, MI 48202





**LADIES IN LAW®**

1442 Brush Street, 2nd Floor  
Detroit, Michigan 48226

**T:** (313) 774-2787

**E:** [operations@theladiesinlaw.com](mailto:operations@theladiesinlaw.com)

**W:** [www.theladiesinlaw.com](http://www.theladiesinlaw.com)

