

Stimulus Check Issues for Medicaid and Probate?



Where's my stimulus check?

In the COVID-19 world we are navigating today, this is probably the most Googled question. But another issue that many families are facing is receiving stimulus checks for deceased loved ones – or learning that a family member on Medicaid in a nursing home received a \$1,200 check.

Will cashing the stimulus check put mom or dad above the allowable Medicaid limit and throw up a red flag? Or is it allowable to use the check just like others who are receiving stimulus dollars to help offset financial hardship amid the coronavirus?

Stimulus Dollars Are Not Considered Income

Unlike a cash gift or inheritance, stimulus check dollars are "free and clear" for you to spend within 12 months and are not viewed as part of an asset so long that must be spent down within 30 days to retain your Long Term Care Medicaid Benefits. So, if you or a loved one in a nursing home received a stimulus check, it's yours to use.

Many on Medicaid are concerned about having more than \$2,000 of resources (money or property) in their name. Stimulus dollars might take your account up to \$3,200—but that is allowable for the next 12 months, since the stimulus is designed to benefit the recipient. Some ways to use the money while in a nursing home might be to purchase furniture, technology like a television or tablet, clothing or meals. The choice is yours—and you have one year to spend down the stimulus check.

Handling Stimulus Checks on Behalf of a Late Loved One

What if you receive a paper stimulus check made out to a deceased family member? Or, say you discover a direct-deposit stimulus payment in the deceased loved one's active bank account, which the IRS has on file.

On May 6, the IRS issued guidance: Send the money back.

If you receive a paper check for a person who is no longer living, the IRS asks you to write "void" in the endorsement section on the back of the check. Mail it back to an IRS office in your state along with a note saying why you are returning the check.

For direct deposits, the IRS requests that you send a personal check or money order payable to U.S. Treasury for the stimulus amount received to your state IRS office.



Plan Now, Spend Smart

The CARES Act Economic Impact payments are being distributed in batches, and you might be awaiting your stimulus check – or wondering how to handle the dollars for a Medicaid recipient or deceased loved one. We have answers. Plus, learn how to maximize your stimulus dollars during this unprecedented time. **Call us at (513) 381-5700 or email Joseph Zoimen at jzoimen@ritter-randolph.com**

Plan Ahead—The Secure Act Stops 'Stretch' IRAs

Increasing access to tax-advantaged accounts and preventing older Americans from outliving their assets is the primary goal of The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019. But as with most legislation, there are questions about what the provisions mean for older adults and beneficiaries and how The Secure Act will impact planning for the future.



One provision to note is that inherited IRA distributions must now be taken within 10 years.

BEFORE: If you inherited an IRA or 401(k), you could stretch distributions and tax payments out over your life expectancy. These stretch IRAs and 401(k)s could serve as reliable income.

NOW: For IRAs inherited from original owners who passed away on or after January 1, 2020, beneficiaries must withdraw assets within 10 years. Exceptions are assets left to a surviving spouse, a minor child, a disabled or chronically ill beneficiary, and beneficiaries who are less than 10 years younger than the original IRA or 401(k) owner.

ACT: Review your estate, trust and planning the strategies. We can walk you through how The Secure Act might impact beneficiaries and what language to incorporate into an existing trust, so they comply with the new IRA rules. Navigating legislative change requires an expert who can explain what new rules mean for you today and in the future. Let's talk.

Contact us at (513) 381-5700 or email Justin Precht at jprecht@ritter-randolph.com

Too Young for a Power of Attorney?

Young Adults Often Overlook This Critical Planning Piece, But Coronavirus Is Showing Us Just How Critical These Healthcare And Financial Documents Are.

You're caring for an older family member who lives with you, and you've taken careful steps to plan for "what's next" with their Healthcare and Financial Power of Attorney. But what about your children?

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Many adult children—especially young people ages 18 to 30—figure that if they fall ill and need someone to write a rent check, talk to their doctor, or release personal information, they can just ask a parent to help. But that's not the case.

- Mom and dad cannot make medical decisions for an adult child who does not have a healthcare power of attorney in place.
- A parent cannot get information from a hospital if a child is hospitalized unless there is a valid HIPPA authorization.
- A parent does not have the authority to sign a check or access records on behalf of an adult child without a financial power of attorney.
- Powers of attorney are just as important for 18-year old adults as for their aging parents.

Too often, many adult children are at risk because it's only natural to think their parent can step in to help. That's what family's are for! But life can change in an instant. This is especially true during the coronavirus epidemic. Now while we are sheltering at home it is an ideal time to review plans and put some safeguards into place. We can help—so you can rest assured that mom and dad can step in to help make decisions during challenging times, just as you'll do for them with powers of attorney in place. **Just call us at any time at (513) 381-5700 or email Erica Groman at egroman@ritter-randolph.com**

We hope that our clients and friends have remained well during this unprecedented time and hope that everyone continues to stay well.

Our office is now open for meetings.... Scheduling appointments now.