

The Dollar Gazette

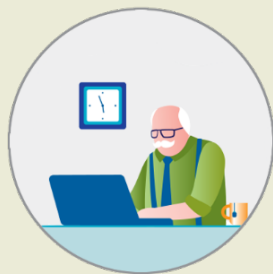
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42%

Percentage of working retirees who cite "needing to make ends meet" as one reason for earning a paycheck.

Source: Employee Benefit Research Institute, 2024

Sources of Retirement Income: Worker Expectations vs. Retiree Realities

About 90% of retirees say they rely on Social Security, approximately the same as the percentage of workers who expect Social Security to help them meet their retirement income needs. Similarly, about 60% of workers expect a traditional pension plan to provide income, which is only slightly higher than the percentage of retirees who say a pension helps pay their bills. In other cases, worker expectations differ dramatically from retiree realities.

Worker expectations for retirement income vs. retirees' actual experience



Source: Employee Benefit Research Institute, 2024

If You Don't Have a Will Yet, Why Not?

A will is a fundamental estate planning document. It outlines how you wish your property to be distributed, who should handle matters related to settling your estate, and who you want to care for your children after you pass, among other things.

If you don't yet have a will, you're not alone. According to a recent survey by Caring.com, 64% of Americans think having a will is important, but only 32% have one.¹ There are many reasons people put off drafting a will — here are four that you might relate to.

1. Just haven't gotten around to it

It's easy to procrastinate when it comes to drafting a will. Even if it's something you think you should do, it's probably not high on the list of things you want to do. Perhaps you're uncomfortable thinking about your own mortality, or maybe you're worried about how complicated or costly the process will be.

Focusing on some of the benefits of having a will might give you the motivation you need to get started. A will is a way to make sure your loved ones are cared for and that your last wishes are honored. A legally binding will gives you more control over what happens to your property and helps ensure that your treasured possessions end up in the right hands. You can name an executor or personal representative who you believe will responsibly handle the details of settling your estate. And having a will is especially important if you have minor children and want to protect them by naming a guardian who will best be able to handle the responsibility of raising them.

If making these decisions sounds daunting, there's help available. An estate planning attorney can help address your concerns and guide you through the process.

2. It's not the right time

Too young? Not married? Childless? In good health? Not wealthy enough? People often think it's not the right time to draft a will, but there's no better time than now. Most adults have money or possessions that they would like to leave to someone, and waiting until the circumstances seem perfect is risky. Health problems may come on suddenly, and trying to draft a will at that time can be stressful. Even worse, if you suddenly become incapacitated, it may be too late.

Your life will inevitably change as the years pass, and any will drafted now can (and should) be reviewed and revised occasionally to account for family and financial changes.

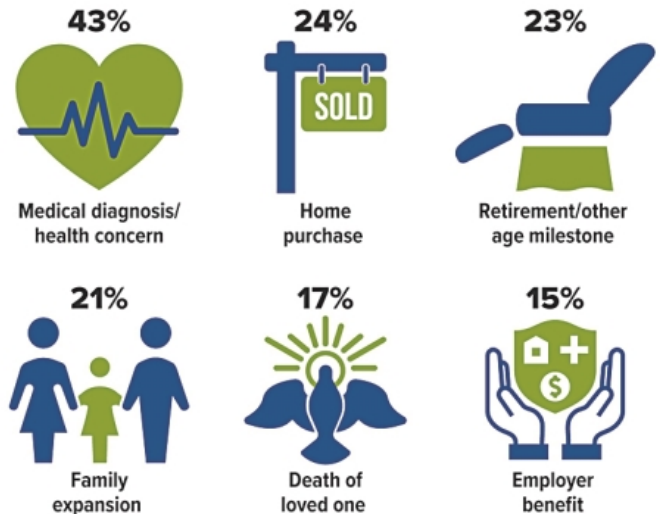
3. Don't think it's important

Unless you have personal experience with settling an estate, you may underestimate the consequences of dying without a will (called dying intestate). Decisions

will be made by the court on your behalf, and your property will be distributed according to the laws of your state. Who is entitled to your assets will depend on those laws, and handling that when there is no will can be especially complicated, time-consuming, stressful, and expensive for your family.

Motivating Situations

Almost one out of four Americans without a will say that nothing would motivate them to get one. Here are the percentages of those without a will who say these situations would motivate them.



Source: 2024 Wills and Estate Planning Study, Caring.com (multiple responses allowed)

4. Family dynamics are complex

Putting off drafting a will might seem logical when you are facing deep-rooted family issues or complicated situations. Why not just leave it to others to sort out after you're gone? Unfortunately, not having a legal document that outlines your specific intentions can make an already difficult situation worse. Leaving the disposition of your assets up to the court to decide may have unintended consequences for family members and lead to irreparable rifts or even litigation.

A will is only part of an estate plan

Finally, as important as a will is, it's just one component of your estate plan. You may need other legal documents such as trusts, powers of attorney, and advance medical directives to fully address your needs. Ask an estate planning attorney to evaluate your individual situation and help you put a plan in place.

1) 2024 Wills and Estate Planning Study, Caring.com

Navigating Medicaid Planning in Florida

By: Stacey Schwartz, Esq.

As the cost of nursing home and assisted living care in Florida continues to rise, planning for long-term care becomes increasingly important. One of the most significant aspects of this planning is understanding Medicaid and its role in financing long-term care. In this article, I'll break down the basics of what you need to know about Medicaid in Florida.

What is Medicaid?

Medicaid is a state and federal program designed to provide coverage for individuals with limited income and resources. In Florida, Medicaid plays a crucial role in covering long-term care services for eligible seniors, including nursing home care and home and community-based services. Every state has different rules regarding Medicaid programs, so this article is specific to Florida Medicaid.

Medicaid Eligibility Requirements

To apply for nursing home Medicaid, or home and community-based services Medicaid, there are three eligibility requirements. First, the Medicaid applicant must meet basic eligibility requirements such as being a Florida resident, aged 65, blind, or disabled, and have a social security number. Second, the Medicaid applicant must meet the appropriate level of care, in other words, the disability requirement. Third, and where an elder law attorney becomes important, is that the Medicaid applicant must meet the financial requirements to apply for benefits.

Medicaid Financial Requirements 2024

Income – As of January 2024, a Medicaid applicant is limited to \$2,829 in gross monthly income. If the Medicaid applicant makes more than \$2,829 in gross monthly income, we look at Medicaid planning options. A qualified income trust is a type of trust that allows you to become eligible for Medicaid even if your income is over the income limit by placing the excess income into a trust account. The trust can be created by the Medicaid applicant (if they are of sound mind), the Medicaid applicant's spouse, or their agent under the Durable Power of Attorney.

The language in a Durable Power of Attorney is so important because your agent can only create this type of trust if the document specifically authorizes it.

Assets – A Medicaid applicant is limited to \$2000 of countable assets. The community spouse, or well spouse, is limited to \$154,140 of countable assets. You may be thinking, "I will never qualify, I have too much money." Well, that's where Medicaid planning comes into play. Again, depending on the language of your Durable Power of Attorney, there are techniques that can be used to lower your overall assets so you can get qualified for Medicaid.

Many of our clients have a significant amount of money in their retirement accounts, and we often have questions regarding how these accounts are categorized for Medicaid planning purposes. If you are taking period payments from a retirement account, then the account is seen as an income stream (rather than looking at the full value of the account). If you are not taking any periodic payments, then your full retirement account is considered as an asset.

Exempt Assets - There are certain assets you can keep, that Medicaid considers as an exempt asset and does not count its value. Most importantly, your homestead property is an exempt asset. Some other examples of exempt assets include, a vehicle, life insurance (up to a certain cash value), term insurance, and an irrevocable prepaid burial or cremation contract.

This article provides a quick overview into the rules of Medicaid for long-term care in Florida. For more information, please contact my office. We hold free informational seminars monthly.

Stacey Schwartz is a Florida Bar Board Certified Elder Law Attorney with a practice in Winter Park, FL. To find out more about how her team can help you, visit www.flammialaw.com.

Can You Put the Brakes on Rising Auto Insurance Premiums?

When your auto insurance policy renews, chances are that your premium will be going up, possibly by a lot. Rates vary by state and location, but nationwide, premiums increased more than 20% between May 2023 and May 2024.¹

Higher vehicle prices and repair costs (including parts and labor), more accidents, a rising number of fraud cases and lawsuits, and severe weather events have affected the bottom line of insurers, leading to across-the-board rate hikes. That's not good news for your wallet, but there are still steps you can take to help make your premium more affordable.

Review your coverage. A good time to review your auto policy is before it renews, but you can make coverage changes or shop for new insurance at any point. Auto insurance rates vary greatly from company to company, so shop around. While price is important, you'll also want to select a financially sound company that offers great customer service. If you're happy with your current insurer, call the company or your agent to explore additional ways to save money.

Try to avoid downgrading to the minimum coverage required by your state. That could leave you financially vulnerable if you have an accident. If your vehicle is leased or financed, you'll likely be required to maintain a certain level of insurance.

Look into discounts. These vary by state and insurer but may include discounts for low annual mileage,

insuring multiple vehicles or bundling policies with the same company, installing anti-theft or other safety devices, completing driver training courses, and having a safe driving record. Some insurers offer discounts for participating in a usage-based (telematics) program that uses driving statistics uploaded from an app or tracking device to adjust rates based on driving habits.

Raise your deductible. You may be able to save money by choosing the highest deductible you can afford. Your deductible is the dollar amount you agree to pay out of pocket if you have an accident that is your fault. According to the Insurance Information Institute, raising your deductible from \$200 to \$500 could save you 15% to 30% on collision and comprehensive coverages, while raising it to \$1,000 could save you 40% or more.²

Get quotes when car shopping. Before deciding on a vehicle, find out how much it will cost to insure — certain makes and models will be more expensive. For example, premiums for electric vehicles may be substantially more than for gas-powered vehicles, in part because repair costs are higher. The vehicle's value, age, safety record and features, and where it will be located may also affect your premium.

1) U.S. Bureau of Labor Statistics, 2024

2) Insurance Information Institute, 2024

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