

ELDER PLANNING PLUS™ LIFETIME PROTECTION PLANNING

LEVELS OF PLANNING

LEVEL 1

INCAPACITY PLANNING (PROTECTION FROM LIFETIME PROBATE)

If your primary goal is to avoid the disastrous legal and financial consequences that often accompany incapacity, our Level 1 Incapacity Protection is the place to start. Level 1 lays the foundation for all of our higher Levels of Family Protection Planning, and is often the starting point for new clients because it provides the simplest, quickest, and least costly method of becoming a client of the Farr Law Firm.

Your Level 1 documents will protect **you** from the public humiliation of being summoned into court to be declared mentally incompetent. These documents will protect **your loved ones** from the time, inconvenience, complexities, and expenses of “living probate” (*i.e.*, Guardianship and Conservatorship) should you become incapacitated and unable to manage your own legal, financial, and medical affairs.

If you become incapacitated after your Level 1 documents are in place, your duly-appointed agent(s) will be able to manage your legal and financial affairs using your comprehensive, non-limited, Durable Power of Attorney, and your health care wishes will be followed and carried out by the agent(s) named in your Advance Medical Directive.

YOUR LEVEL 1 PLAN ...

Includes the following:

- ▶ Our proprietary General Power of Attorney, which is durable, non-limited, and HIPAA-compliant, and contains complete Medicaid asset protection powers, including full gifting and full trust creation and termination powers;
- ▶ Our proprietary five-part Advance Medical Directive, which is HIPAA-compliant and contains our proprietary Long-Term Care Directive and After-Death Directive;
- ▶ HIPAA Authorization;
- ▶ Special Power of Attorney for Real Estate;
- ▶ Lifestyle Care Plan, including lifetime access and ability to update;
- ▶ Up to one hour of attorney consultation time;
- ▶ Routine drafting and signing time.
- ▶ Free initial registration of your Advance Medical Directive with a national electronic storage and access service, to help ensure that your medical wishes are known and respected when needed.

If desired, a Simple (*i.e.* statutory) Will may be added to Level 1 for a small additional fee. The Agent named in your Power of Attorney will be nominated as Executor of your Will to guide your assets through the complex, time-consuming, and costly process of probate after your death. (Note: Both our Level 2 and Level 3 Planning avoid probate).

Your initial investment as a Level 1 Client includes free introductory enrollment in the Estate Plan Protection Program™ – our proprietary annual retainer plan that gives you an annual review and update of your existing documents (to accommodate changes in the law, changes in your family or financial circumstances, changes of address, or changes in your wishes), answers to questions that may arise about your planning documents; and ongoing annual registration of your Advance Medical Directive. Provided you remain enrolled in our Estate Plan Protection Program™, we will credit your initial Level 1 investment if you upgrade to a higher Level.

LEVEL 2

LIVING TRUST ESTATE PLANNING (PROTECTION FROM AFTER-DEATH PROBATE)

If your primary goal is to avoid the disastrous legal and financial consequences that often accompany probate after death, and you want to retain absolute and unrestricted control of your assets during your lifetime, then you need our Level 2 Planning, which builds on and includes our Level 1 Planning, but adds a Revocable Living Trust so that your assets, after your death, can be transferred to your loved ones with the utmost simplicity and convenience, avoiding the time, complexities, and expenses that make up the “nightmare of probate.”

Though it provides no asset protection for you during your lifetime (*e.g.*, no protection from lawsuits or nursing home expenses) our Level 2 Trust is specially designed to protect each beneficiary’s inheritance from lawsuits, divorce, and nursing home expenses. Our Level 2 Trust also includes numerous other important features not found in ordinary living trusts, such as protection for possible under-age beneficiaries, special needs beneficiaries, and any pets you may own at the time of your death. Basic Estate Tax planning is also provided, if needed, at no additional cost. Additional Estate Tax planning can be added if needed.

YOUR LEVEL 2 PLAN ...

Includes all of the Incapacity Planning documents provided under our Level 1 Planning, but adds our proprietary Revocable Living Trust and Pour-Over Will. Level 2 Planning also includes an additional hour of attorney consultation time (2 hours total).

Except for deeds to real estate, which we must handle, all asset transfers will be handled by you, with detailed guidance, instructions, and support from us. Alternatively, you may request our Total Trust Funding™ Service. Deed preparation and Total Trust Funding™ Services incur additional fees.

If you have minor children, your Level 2 Pour-Over Will includes the appointment of Guardians to raise your children in the event of your untimely death. If your desired Guardians are not family members or do not live near you, then you should strongly consider adding (for a small additional fee) our proprietary Child Protection Plan™ for each of your minor children so that if you are killed or incapacitated in an accident, the local officials won’t have to call in Child Protective Services and have your children placed into Foster Care. Each Child Protection Plan™ consists of a set of legal documents that includes an Appointment of Temporary Guardians (authorizing persons you choose, such as close friends or neighbors, to take immediate temporary custody of your minor child to avoid the need for Foster Care), a Consent for Medical Treatment form (authorizing your Temporary Guardians to obtain medical treatment and counseling for your minor children), and a Medical Information Form (to record information on each child’s allergies, medications, medical conditions, immunizations, pediatrician contact information, and insurance information). Each Child Protection Plan™ will be registered with a national electronic storage and access service to ensure ready access to the documents in case of emergency.

Your initial investment as a Level 2 client includes free introductory enrollment in our Estate Plan Protection Program™ (see explanation under Level 1). Provided you remain enrolled in our Estate Plan Protection Program™, we will credit your initial Level 2 investment if you upgrade to a higher Level of Planning.

See Reverse Side for Level Three and Level Four Planning

LEVEL 3**LEVEL 4****LIVING TRUST PLUS™ ASSET PROTECTION
(FUTURE PROTECTION FROM PROBATE PLUS LONG-TERM CARE)****BENEFITS-FOCUSED ASSET PROTECTION™
(IMMEDIATE PROTECTION FROM LONG-TERM CARE COSTS)**

If your goal is to protect your assets from the “nightmare of probate” PLUS the disastrous financial consequences of needing nursing home care, then you need to consider our Level 3 Planning. The **Living Trust Plus™** that we prepare for you under Level 3 will provide general asset protection immediately upon funding, and Medicaid asset protection five years after funding. You are a candidate for Level 3 Planning provided you are living independently and have no significant health problems that are likely to require nursing home care within the next five years.

Level 3 Planning offers you the peace of mind of knowing that the assets you place in trust:

- ▶ Will be protected immediately from lawsuits and other general creditors;
- ▶ Will be protected for Medicaid purposes (completely after five years, with partial protection possible in less than five years);
- ▶ May possibly be used by your beneficiaries to enhance your dignity and quality of life if and when you need nursing home care.

Whatever assets remain in your Level 3 Trust will, upon your death, be held for your beneficiaries, free of probate, in a sub-trust designed to protect each beneficiary’s inheritance from lawsuits, divorce, and nursing home expenses of the beneficiary.

You need Level 4 Planning if your goal is to obtain financial assistance to help pay for care that you already receive or are likely to need in the near future, whether at home, in assisted living, or in a nursing home.

Level 4 Planning is focused not on preparation of specific documents, but rather on protecting your assets and obtaining financial benefits to help pay for your long-term care.

If you’re married, the primary goal of Level 4 Planning is to protect the financial independence of the healthier spouse. If not, the primary goal of Level 4 Planning is typically to enable you to obtain the best care possible for your remaining lifetime. We help you achieve these goals by protecting your assets to the greatest extent possible in the shortest length of time possible.

Protected assets can be used to maintain your quality of life by purchase of goods and services not covered by Medicaid: goods such as dentures, hearing aids, vision aids, and personal items; services such as enhanced medical care or private sitters to provide you an enhanced level of care.

A secondary goal of Level 4 Planning is sometimes to preserve an inheritance for your heirs if that is your strong desire, particularly if you have a needy or disabled child or someone who needs special financial help.

YOUR LEVEL 3 PLAN . . .**YOUR LEVEL 4 PLAN . . .**

Includes everything in Level 1 and Level 2, but uses the proprietary **Living Trust Plus™ Asset Protection Trust** – created by Evan Farr and used by dozens of asset protection and elder law attorneys around the country – as the central planning document, instead of the Level 2 Revocable Living Trust. Level 3 Planning also allows an additional hour of attorney consultation time (3 hours total).

Whereas the Revocable Living Trust will protect your assets from probate, the **Living Trust Plus™** is designed to protect your assets from probate PLUS lifetime creditors PLUS nursing home expenses.

Except for deeds to real estate, which we must handle, all asset transfers will be handled by you, with detailed guidance, instructions, and support from us. Alternatively, you may request our Total Trust Funding™ Service. Deed preparation and Total Trust Funding™ Services incur additional fees.

Your initial Level 3 investment includes free introductory enrollment in the Lifetime Protection Program™ – our proprietary annual retainer plan that gives you, at no charge: an annual review and update of your existing documents (to accommodate changes in the law, changes in your family or financial circumstances, changes of address, or changes in your wishes); answers to questions that may arise about your documents; ongoing consultations as necessary and appropriate to continue to carry out your Asset Protection Plan; and ongoing annual registration with DocuBank.

Provided you stay enrolled in our Lifetime Protection Program™, we will credit your initial Level 3 investment if you upgrade to Level 4 Planning.

Provides comprehensive Medicaid Asset Protection, including completion and filing of the Medicaid application and all documents and actions required to obtain Medicaid. When eligible, Level 4 includes Veterans Benefits Planning and the filing of a Veterans Aid and Attendance Pension application at no charge.

Under Level 4, we provide you with: a written Asset Protection Plan (APP); all appropriate asset protection documents; all research, conferences, advice, expertise, and other services necessary to achieve the desired goals; supervised execution of all documents required under the APP; and unlimited consultations between you and our attorneys and staff as necessary to design and implement the APP consistent with your needs, goals, and desires, and to carry out the APP to completion prior to our filing for Medicaid and/or Veterans Pension benefits.

How much can we protect? If you’re married, we can generally protect 100% of your assets, regardless of how the assets are titled. If you’re not married, we can generally protect 40% to 70% of your assets.

In addition to the Asset Protection under Level 4, we will assist you when needed with selection of care facilities, review all paperwork prior to signing, and represent you in connection with any threatened discharge from a care facility.

Your initial Level 4 investment includes everything explained above for a full year. After the first year, there is optional enrollment in our Lifetime Protection Program™.

Provided you stay enrolled in our Lifetime Protection Program™, we will handle all annual filings and consult with you as necessary to carry out all aspects of your Level 4 Asset Protection Planning.

Additional Family Protection Planning Services: The Four Levels of Family Protection Planning described above satisfy the needs of the majority of clients. However, there are several situations that necessitate additional trusts and planning methods. For example, if you have a beneficiary with Special Needs, you should generally add a Special Needs Trust to your Level 2 or Level 3 Planning. If you have an extremely high net worth, we may recommend that additional trusts be added to Level 2 or Level 3 to minimize estate taxes, accomplish charitable goals, or both; examples of additional tax-avoidance trusts we offer include Irrevocable Life Insurance Trusts, Charitable Remainder Trusts, and Charitable Lead Trusts. If you have significant wealth inside of a Qualified Retirement Plan, you may want to consider a Designated Beneficiary Trust to protect the stretch-out of your retirement plan distributions over the life expectancy of each of your beneficiaries.

Trust and Estate Administration Services: Please note that we offer separate Levels of Planning for Trust and Estate Administration.

See Reverse Side for Level One and Level Two Planning