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NEWS ALERT - CHANGES IN THE LAW

As you know, we like to keep all of our clients abreast of changes in the law. As such, there has been a significant piece of legislation affecting the practice of Elder Law. The Deficit Reduction Act, passed by the North Carolina Legislature in 2006, will now become effective in North Carolina on November 1, 2007.

Although the Act is extensive, as are most pieces of legislation, we are primarily concerned with the portions affecting Medicaid eligibility. The new law will change the look-back period from the current three (3) year period to a period of now five (5) years. Additionally, any sanction period for transfers within five (5) years of application for Medicaid will now begin to run on the date of application for benefits rather than when any transfer might have been made.

Many of our clients, pursuant to our advice, have structured family land and home places in Trust Agreements prepared by this office. These Trust Agreements are not affected by the recent legislation. However, if you have been gifting and/or transferring cash, stocks, bonds and/or other personal properties, then those transfers and/or gifts could certainly be subject to a now five (5) year rather than three (3) year look-back period, and the sanction for the transfers would be applied at the date of application, not the date of the gift.

In reviewing our files, we find that very few of you are gifting and/or transferring cash, stock, bonds, certificates of deposit and the like, but again, please contact our office if such is the case. We are always here to answer any questions that you might have and, as always, we appreciate your patronage to our firm.