

What is the Difference Between Estate Planning and Elder Law Planning?

Many people have heard the words estate planning over the years and some of elder law planning but may not know what the true distinctions are.

Estate planning is generally planning for one's ultimate demise as to how their assets would be distributed. The reference to assets means your possessions. This may include your cash, stocks, bonds, real estate, 401ks, IRAs and so on. If you own something, that's what we're talking about. Who's going to get it and by what means, like, a will, a trust, beneficiary designation or other non-probate method.

When you plan your estate, your attorney should also introduce you to disability planning which would include the preparation of documents such as power of attorney for property, power of attorney for health care, living will, declaration of guardian, and HIPAA privacy act documents. These are documents that may be used to help with decision-making in the future while you are still alive.

Elder law planning, which some people refer to as elder "care" planning, focuses on how a person will pay for care in the future if their life extends beyond independent living.

Just as many of us live like we will never die, many also overlook the possibility that they will get to a point in their life when they cannot function independently, meaning they will need assistance. Some will need no assistance, some a little, and others will need full care.

The problem is most of us don't know for sure, which category we may fall into. So, planning is key. To not plan is an invitation to a financial disaster.

This is where elder planning can be very helpful.

Elder law is now a fully established area with lawyers who focus on helping people who are generally older or are getting older.

Elder law and elder planning have important distinctions.

Elder law consists of about 16 different areas of previously existing groups of laws applied to the aged population.

The areas of law are many. For example, Medicare, Medicaid, probate, guardianship, litigation, Social Security, insurance, estate planning and long-term care to name a few.

When discussing elder law planning or elder care planning, however, the most predominant area that is of interest to people is long term care planning or "how will I pay for care if I can no longer live independently?"

This is where estate planning and elder law planning began to merge together; because elder law planning is a form of estate planning with the understanding that elder law

planning focuses on planning for use of your estate while still able and for after death distributions as well.

The goal is to make the best use of assets while alive and still try to leave as much as possible to a surviving spouse and family.

The need for solid planning becomes apparent when a person becomes aware of the potential costs that may lie ahead.

The cost of care at home can be astronomical. Depending on the number of caretaking hours needed, the costs can range from a few thousand to seventeen or eighteen thousand dollars a month.

An assisted living facility can run from about \$4,500 to \$7,500, or more, a month.

Nursing home care, about \$5,500 to \$10,000 a month or more.

Most people cannot afford this long term. This is why many people turn to Medicaid, if they haven't prepared by purchasing a long-term care insurance policy.

Whatever the future holds for you, it would be wise to seek advice from a knowledgeable elder law attorney who has the experience to guide you through the complications the future may hold.

Although it's always a good idea to plan early, it's never too late to plan. Don't go broke by doing nothing.

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