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Crummey Trusts: A Way to More Safely Give Gifts to Children

Article by: ThompsonMcMullan Law Firm, www.T-mlaw.com

Many parents and grandparents want to pass their wealth to their children while they are still alive. Gifts to children or grandchildren can be a good way to reduce a taxable estate. While you can give a child or grandchild \$13,000 (in 2010) a year without incurring taxes on the gift, you probably don't want a young child receiving the money outright. A "Crummey" trust provides a way to take advantage of the gift tax exclusion while keeping the money in a trust until the child is old enough to handle it.

You may have heard of "custodial accounts" for children, where the parent or someone else retains custody of the child's account. The downside of these accounts is that the child has the right to the money when he or she reaches the age of majority (18 or 21, depending on the state). You may not want an 18-year-old getting a large sum of money.

The benefit of putting money for a child into a trust rather than a custodial account is that you can decide when the money will be given to the child and how much the child will receive. But putting money into a regular trust presents one big problem: In order for the gift to avoid being taxed, the child must have a "present interest" in the money. Because a promise to give someone

money later does not count as a present interest, most gifts to trusts aren't excluded from the gift tax.

The Crummey trust (named for the court case that approved this type of trust) is designed to allow you to put money into a trust *and* receive a gift tax exclusion. The trust includes a provision that gives the beneficiary a temporary right to withdraw money from the trust. After a certain amount of time has passed (usually 30 days), the beneficiary can no longer withdraw the money and it becomes a part of the trust. It is very important that you notify the beneficiary of the gift and his or her right to withdraw the gift or the IRS will not apply the gift tax exclusion. There is the risk that the beneficiary will withdraw the money right away, but you can make it clear (but not in writing) that any withdrawals will mean that he or she will not get any more gifts from you. Once the money is in the trust, you control how much the beneficiary can receive and when.

Before setting up a trust, be sure to talk to your elder law attorney about what is right in your situation.

ATTENTION:
The Family Council Meetings are the last Thursday of each month at the Corporate Office.

Your input, suggestions, and comments are appreciated. Please call ahead if you plan to attend.

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Social Security Administration Adds Early-Onset Alzheimer's To Its Compassionate Allowances Initiative

-Alzheimer's Association Statement-

Washington, DC February 11, 2010 – In its effort to improve and expedite the disability determination process, the Social Security Administration (SSA) has announced that it will add early-onset Alzheimer's disease to its Compassionate Allowances Initiative. The initiative identifies debilitating diseases and medical conditions that meet the SSA's disability standards for Social Security Disability Income (SSDI) or Supplemental Security Income (SSI). Inclusion in the initiative allows for faster payment of Social Security benefits to individuals with Alzheimer's disease. The Alzheimer's Association applauds Social Security Commissioner Michael Astrue and the SSA for understanding that the cognitive impairment caused by Alzheimer's disease leaves individuals unable to maintain gainful employment and deserving of an expedited disability determination.

"As the leading research, advocacy, and support organization for Alzheimer's disease, the Alzheimer's Association has actively sought the inclusion of early-onset Alzheimer's in the Social Security Administration's Compassionate Allowances Initiative," says Harry Johns, President and CEO of the Alzheimer's Association. "Now, individuals who are dealing with the enormous challenges of Alzheimer's won't also have to endure the financial and emotional toll of a long disability decision process."

Since 2003, the Alzheimer's Association has been advocating on behalf of individuals with early-onset Alzheimer's as they navigate the Social Security disability determinations process and welcomes the SSA's decision. Until now, individuals with early-onset Alzheimer's disease have faced a myriad of challenges when applying for SSDI or SSI, including a long decision process, initial denials, and multiple appeals. Today's

decision will simplify and streamline the SSDI/SSI application process and decrease the wait time for benefits, which for some has lasted as long as three years.

There are currently an estimated 5.3 million Americans with Alzheimer's disease. Although the majority of Alzheimer cases are individuals age 65 and older, a significant number of people under age 65 are also affected by this fatal disease and have few financial options other than the Social Security disability program.

In addition to Alzheimer's disease, mixed-dementia and Primary Progressive Aphasia were also added to the Compassionate Allowances Initiative under the SSA's recent decision. To determine which diseases and conditions to include, SSA has held several public outreach hearings throughout the country that have included testimony from medical and scientific experts, as well as those directly affected by these diseases and conditions. The July 2009 Compassionate Allowance Hearing on Early-Onset Alzheimer's Disease and Related Dementias, held in Chicago, included testimony from Johns, several of the nation's top Alzheimer researchers, and caregivers and individuals with early-onset Alzheimer's who discussed the challenges they faced during the disability application process. During the day-long hearing, SSA officials heard about the terminal nature of Alzheimer's, the disabilities that often prohibit work in even the earliest stages of the disease, and the lack of effective treatments to modify or halt the progression of Alzheimer's.

In addition to participation in the hearing, as many as 600 people with Alzheimer's and other dementias and their caregivers responded to the Association's request to submit written comments to SSA about

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August 2010 Activities Calendar

- **Thursday, August 12th** – Cinema Classics, **Spy Kids**, 1:00 pm
- **Tuesday, August 24th** – **Juggler Jonathan Austin**, a Richmond favorite who performed at the White House and Disney World. 10:30 am
- **Thursday, August 26th** – **John Winn Jazz Concert**. John's lush vocal timbre has been compared to those of Harry Connick Jr. & Louis Armstrong. 7:00 pm
- **Friday, August 27th** – Ride on the pontoon party boat and fishing. 10 am.

Special Thanks...

Rockhill:

The Residents and Care Staff would like to say thank you to **Dorothy Moody's** family for bringing vegetables, cake, and frozen pancakes. All the goodies were enjoyed by everyone.

Thanks also to **Harold Munden's** family for bringing a pound cake for all the residents to enjoy.

Eleanor Home:

The Residents and Alecia would like to give many thanks to **Hilda Walker's** daughter, **Beverly Starnes**, who brought tasty banana pudding, which everyone thoroughly enjoyed.

Thanks go to **Ruth Raines' son, Rick**, for the lovely visit they received from the 4th and 5th grade Sunday school class at Fairmont Christian Church. Everyone had a great time and enjoyed their performance immensely. (photos on page 8.)

Alicia would like to say a BIG THANK YOU to all the family members who brought her gifts on her birthday. It was greatly appreciated and a nice surprise.

Harborough Home:

The Residents and Care Staff would like to say thanks to **Ruby Turner's** daughter, **Pat Gibbons**, who brought blueberry cobbler, cupcakes, doughnuts, and fresh tomatoes, cucumbers, and squash from her garden.

Thanks to **Lillian Dudley's** daughter, **Jamie**, who brought cookies and cinnamon bagels.

Thanks to **Lucille Phelps' daughter, Trudy**, who brought ice cream cake and a beautiful flower for all to enjoy.

Thanks to **Joyce Mitchell's** daughter, **Eileen**, who brought a movie, **Mama Mia**, for everyone to watch.

Sandy Valley Home:

The Residents and Marva would like to thank **Wendall McDearmon's** wife, **Elsie**, for all the cookies and candy. **Elsie** is always so helpful and supportive. Everyone in the home appreciates all she does.

Thanks to **Ruby Regensburg's** son & daughter-in-law, **Kirk & Charlotte**, for the huge bags full of delicious, fresh vegetables they brought from their garden.

Studley Home:

The Residents and Pamela, would like to give thanks to **Doris Crisp's** daughter, **Brenda**, for the supply of Pepsi, watermelon, and sugar-free cookies. The treats are greatly appreciated!

Hebner Home:

The Ladies at Hebner and Care Staff would like to thank **Lillian Eaves** and her daughter, **Pat Wood**, for the magazines, pies and snacks they brought to share with the other ladies at Hebner. Everyone enjoyed it all greatly. Also, thanks also to all the visitors and other goodies brought throughout the month.

Heatherwood Home:

The Residents and Care Staff would like to give a special thanks to all the Residents and their families for the homemade meals, delicious sweets, and activity supplies they received this month.

Cold Harbor Home:

The Caregiver, Christine, would like to thank Doris Conrad's granddaughter, Suzanna, for all the volunteering she does at the Cold Harbor home. She made the ladies soup, brought bread and did crafts with the Residents. She spent time with Mrs. Johnson in her time of need. Thanks to Kristy Harrison for help with Ellen's birthday party. We will miss Mrs. Johnson who went to be with the Lord.

New Residents - Welcome To Our Haven Family...

Jesse Crews – Sandy Valley



August 2010 Birthdays...

2nd – Mavis Barlow, 86 years

6th – Virginia Krueger, 67 years

10th – Dean Hogue, 71 years

21st – Doris Crisp, 81 years

Caregiver Kudos...

We received an awesome letter from **Louise Johnson's** daughter, **Ginger Kossof**, concerning caregiver **Christine Hart** at our **Cold Harbor** home and would like to share some of the letter:

"... I want to sincerely thank you for hiring Ms Christine Hart as the Caregiver/MedTech for your Cold Harbor facility. Her compassion, genuineness and competencies exemplify exactly what families look for when choosing a caregiver for their loved one. I feel extremely fortunate that, when I needed assistance for my mother, there was an opening at "her" house. ... I have always been impressed with the relationships that she develops with her ladies; she seems to know just what it takes to make them smile. I am so very comfortable with her abilities to provide CNA care and all the extras....she plays games, sings, makes crafts and, one of my favorites, is that she provides devotions. She encourages the ladies to take turns saying their own blessings before their meals."

At our **River Road** home, **Rose Ramsey, Chuck Jordon**, and many others want to give accolades to **Carolyn Jackson**. They say she is deserving because *"she is the Best they've seen. She is so wonderful because of how she cares for the Residents and has her busy, loving home running like clockwork."*

We are so very proud and excited to have such professional, experienced, compassionate, understanding and flexible caregivers. We love our care staff and all they do.

We want the Kudos to come from us and YOU, our reader, as well so please feel free to email us at: tammywright@virginiaassistedliving.org with any Kudos you would like to send out to your loved one's caregiver.

Social Security Administration Adds Early-Onset Alzheimer's To Its Compassionate Allowances Initiative

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Allowances website:

<http://www.socialsecurity.gov/compassionateallowances/statements.htm>

The Social Security Administration's proactive efforts to "fast track" certain conditions will help to reduce the backlog of disability claims and, more importantly, ensure those claims that fall under this initiative will be decided within days instead of months or years.

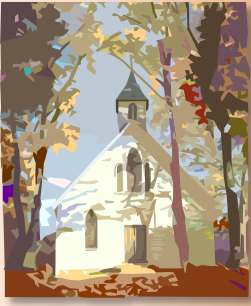
"The diagnosis of Alzheimer's indicates significant enough cognitive impairment to interfere with daily living activities, including the ability to work. This decision will help a significant number of Alzheimer families. It will also help the Social Security Administration, since long delays and appeals in the disability determination process are costly for the agency," says Johns. "The Alzheimer's Association praises SSA for this decision and remains committed to continue to



work with Commissioner Astrue and his colleagues at the Social Security Administration in support of its implementation nationwide."

Alzheimer's Association

The Alzheimer's Association is the leading voluntary health organization in Alzheimer care, support and research. Our mission is to eliminate Alzheimer's disease through the advancement of research; to provide and enhance care and support for all affected; and to reduce the risk of dementia through the promotion of brain health. Our vision is a world without Alzheimer's. For more information, <http://www.alz.org>.



From The President

It is against company policy for staff to request family members to perform personal tasks on behalf of the caregiver, this includes but is not limited to personal phone calls to family members, personal emails to family members, etc. All such correspondence must go through the Administrator. If you have any questions regarding this policy, please contact me at 804-779-4847.

Bertica Cummins
President

You Will Always be in Our Thoughts & Hearts...

We are thankful to have known each of the Haven Residents we've lost and for them enriching our lives with their smiles, laughter, and love. We pray that their family members and friends will gain strength and maintain faith from the everlasting memories they will hold dear in their hearts forever and beyond.

George Pritchard – Rockhill

Louise Johnson – Cold Harbor

\$250 Rebate for Beneficiaries Who Enter the Coverage Gap

Prepared by Leslie Fried, Alzheimer's Association Medicare Advocacy Project. The Medicare Advocacy Project is supported by a generous grant by the Eisenberg Family

What do eligible beneficiaries have to do? Nothing. Medicare beneficiaries do not have to fill out any forms or provide any information to anyone to receive this rebate check. The checks will be mailed automatically about 45 days after entering the coverage gap. Do not give personal information to anyone in order to receive the rebate check.

What if the rebate check is not received? If an eligible Medicare beneficiary has not received the rebate check in 45 days, the individual should:

- Contact Medicare at 1-800-MEDICARE to make sure that Medicare has received the information from the Medicare drug plan that the individual has entered the coverage gap.
- Contact the Social Security Administration at 1-800-772-1213 to make sure it has the correct home address to mail the check.

Will a beneficiary pay taxes on the rebate? No

Will the rebate affect other government benefits, like food stamps? No,

Coming in 2011: Beginning in 2011, there will be a 50% discount when Medicare beneficiaries buy Medicare-covered brand name drugs after they reach the coverage gap. There will be a 7% discount when buying Medicare-covered generic drugs in the coverage gap.

For more information: Visit <http://www.medicare.gov> for additional information about the Medicare benefit.

Visit <http://www.alz.org> for information about Alzheimer's disease and about Medicare benefits. Under the Health Care Reform law, in 2010, Medicare beneficiaries who are enrolled in a Medicare drug plan may be entitled to a \$250 rebate after they enter the "coverage gap" (also called the donut hole.) The coverage gap is the period after the beneficiary and the drug plan has made some payments and the beneficiary is responsible for paying 100% of the drug costs.

Who is eligible? Medicare beneficiaries who:

- Are enrolled in a Part D drug plan
- Enter the coverage gap (donut hole) in 2010
- Do NOT receive the low income subsidy or Medicaid benefits

What is it? Eligible beneficiaries will receive a one-time \$250 rebate check. The rebate check will be mailed to the address on file with the Social Security Administration (SSA). The rebate will only be provided by paper check, not through electronic or direct deposit means. If a beneficiary has a representative payee through the SSA, the check will be mailed to the representative payee.

When will the rebate checks be mailed? The first checks will be mailed in mid-June to eligible beneficiaries, who entered the coverage gap on or before March, 31, 2010. Subsequent checks will be mailed out monthly. Beneficiaries should expect at least a 45 day lag time from the time they enter the coverage gap to the time they receive the rebate check.

Alzheimer's: Smoothing The Transition On Moving Day

By: Mayo Clinic Staff

Moving a loved one who has Alzheimer's into a new home or facility is a daunting task. Here's help planning ahead, from exploring options early to adding familiar touches.

Moving from one home to another can trigger anxiety for anyone. For a person who has Alzheimer's disease, however, a changed routine and an unfamiliar environment can be extremely stressful. If you're helping a loved one who has Alzheimer's move to a new home or into a care facility, make the transition as comfortable as possible.

Plan ahead

If possible, talk to your loved one about preferences for living arrangements while he or she can still make choices. Explore all of your housing options together. It may be harder to make guesses later about what your loved one would want.

If your loved one will be moving to a care facility, make frequent visits before the move. Speak with the staff about your loved one's background and any special needs. Provide details on your loved one's medical and mental health history, including a detailed medication list.

Add familiar touches

Before the move, make your loved one's new room or space look and feel as familiar as possible. Decorate the area with a treasured quilt, a shelf with special items, a favorite chair or other meaningful possessions. Familiar belongings can trigger feelings of ownership and boost your loved one's sense of security.

Also stock the space with pictures of family and friends, memory books or photo albums. Reminiscing about the past can help a person who has Alzheimer's bring important memories into the present. Label the pictures to help staff members or others identify the people in your loved one's life and encourage conversations about the past.



As you're preparing your loved one's room, be careful with heirlooms and priceless or irreplaceable items, however. Consider bringing items that can be replaced easily if necessary — such as costume jewelry or copies of old photos.

The big day

Follow your loved one's normal routine as much as possible on the day of the move. If possible, handle the move during your loved one's best time of day — whether it's in the morning or the afternoon. While you're moving, do your best to stay positive. Your attitude can help your loved one feel safe and secure in the new environment.

Once your loved one is settled, spend extra time with him or her. Encourage friends and loved ones to visit frequently as well. Extra care and attention can help ease your loved one's transition to the new home or facility.



Alzheimer's Disease And Dementia Are Different

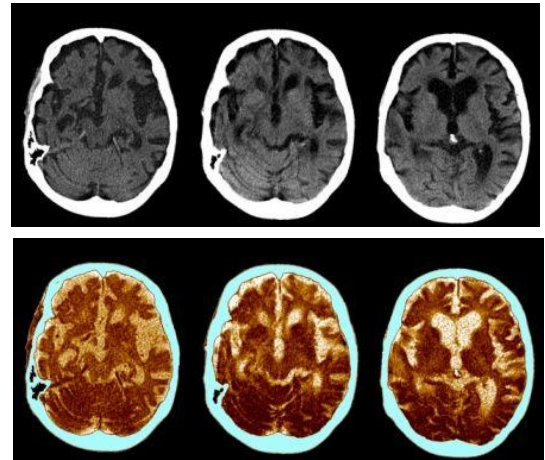
From: The Mayo Clinic's Angela Lunde's Blog

My sincere appreciation to all of you who have posted a comment or two on this new blog, I am elated by the rapid interest! Your exchange of stories, ideas, and challenges, along with the compassionate support you are giving one another, is exactly what I hope this blog can provide. As one individual stated, "Your experiences will comfort me."

Know that I will weigh in from time to time on some of the issues that surface, but for this blog, the real experts will be all of you impacted in one way or another by Alzheimer's disease or a related dementia. Each of you can provide a depth of knowledge shaped by your own circumstances; when it comes to a devastating disease like AD, sometimes simply an exchange of experiences is what matters most. I will, however, comment on themes and general issues that emerge and provide links to resources that I think can be beneficial.

For this entry, let me just state that there is often confusion and misunderstanding with the terms Alzheimer's disease and dementia, but there is a distinct difference.

The term dementia refers to a set of symptoms, not the disease itself. These symptoms might include language difficulty, loss of recent memory or poor judgment. In other words, when an individual is said to have dementia they are exhibiting certain symptoms. With a thorough screening including blood tests (to rule out other causes of dementia such as vitamin deficiency), a mental status evaluation, neuropsychological testing, and sometimes a brain scan, doctors can accurately diagnose the cause of the dementia symptoms in 90 percent of the cases. (It is true however, that Alzheimer's can be diagnosed with complete accuracy only after death, using a microscopic examination of brain tissue, which checks for plaques and tangles).



Although Alzheimer's disease accounts for 60-70 percent of cases of dementia, other disorders that cause dementia include: Vascular dementia, Parkinson's disease, dementia with Lewy Bodies and Frontotemporal dementia.

In the early stages of a disease, there can be some clear differences between the diseases. For example, in dementia with Lewy Bodies (the second most common cause of dementia) early symptoms of the disease may not be so much forgetfulness, but lowered attention span, recurrent visual hallucinations, and a fluctuation between periods of lucidity (or clear thinking) followed by periods of confusion. However, as the specific disease advances, more parts of the brain become affected, and the differences from one cause of dementia to another are subtle.

In concluding my entry today, I'd like to pose a question: You may have heard the saying, "When you've met one person with Alzheimer's, you've met one person with Alzheimer's disease." In other words, no two persons are similar in how the disease impacts them. This holds true for caregivers as well. If you have seen how Alzheimer's disease (or related dementia) impacts one caregiver, you have seen how it impacts one caregiver. If you are caring for someone with Alzheimer's disease or a similar dementia, how has it impacted you, more importantly, how do you cope?

Keep posting!
In Support,
Angela

It's SHOW TIME...



Residents enjoyed a high-energy packed show of magic at the Henrico Theatre by magician Mike Klee. No disappearing acts were performed, we came back with all who went.



And the show continues at the Eleanor home...



The 4th and 5th grade Sunday school classes from Fairmont Christian Church Gave a fantastic show for the Eleanor home family of Residents. We send our heartfelt thanks out to the kids for such a fine performance!



Happenings All Around The Havens...



Lucille & Ruby at Harborough believe that sisters who get perms together... stay together!



Doris & Louise at Studley never know what a storm is going to blow in so they are always prepared to “clean house” when the wind changes.

Visiting Meadow Farm Museum



Residents enjoyed an afternoon at an 1860 historic farm site and museum on Mountain Road watching a movie and marveling at how the house has no water, electricity, refriacerator. not even a toaster!



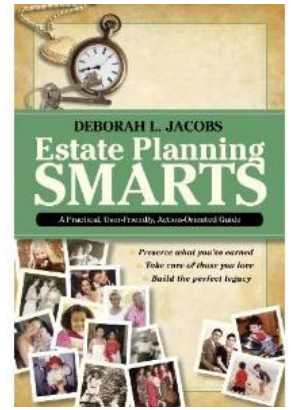
Estate Planning Smarts: A Practical, User-Friendly, Action-Oriented Guide

By: Deborah Jacobs

Planning an estate involves fitting together many pieces. You need to think about wills, trusts, life insurance, guardians, executors -- the list goes on and on. *Estate Planning Smarts* explains in a straightforward and easy-to-understand way all the different puzzle pieces and how they interconnect.

Written by Deborah Jacobs, a lawyer and business journalist, *Estate Planning Smarts* presents the basic information you need before getting started on estate planning. Jacobs covers planning for incapacity, dividing up assets, taxes, providing for children, trusts, retirement accounts, gifts to family members, and much more. Noting that it is a global world we live in, Jacobs includes a chapter for individuals who have a spouse who is a citizen of another country or who live abroad. She also discusses options for dealing with family businesses. Sprinkled throughout the book are interesting facts and stories about the estates of famous people like Julia Child, Arthur Miller, and Heath Ledger.

Estate Planning Smarts has helpful charts that compare different estate planning options, and each chapter ends with a to-do list with specific instructions. The book is full of practical information that will help you get a handle on your estate planning needs and make you a much more informed client when sitting down with your attorney to map out your estate.



The Aging In America show is sponsored & hosted by The Haven Assisted Living as a community service.

Aging In America Radio Show...

Aging In America will be taking a hiatus for a period of time.

If you would like to listen to any of the aired shows you can visit our web site at: www.thehavenassistedliving.com and click on the Aging In America link in the navigation bar. Show topics include:

- Information from the Alzheimer's Association
- Legal information concerning wills, trust, estate planning to disabled and elder rights and much more.
- Financial information from talking to your loved one about long-term care financial planning to estate financial planning and more.
- Elder fraud schemes
- New disable and elder laws recently passed
- Medicaid/Medicare information
- Different elder care options... in-home, day care, assisted living, etc.
- Medical equipment suppliers and information you need to know
- Managing your loved one's finances and/or care from afar
- And so much more