

“Let our advance worrying become advance thinking and planning” – Sir Winston Churchill

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ELDER LAW TODAY

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As you may recall in prior issues of Elder Law Today I told you how Veterans Administration Aid and Attendance was changing – now we are showing how it works in 2020. We hope you find this helpful for you or someone you know who may be a candidate for Aid and Attendance. Be sure and read the last paragraph for a free offer.

In 2020, qualifying veterans and their spouses could be eligible for a VA pension of approximately **\$2,266.00 per month** to help cover the costs of elder care assistance! This is **tax free money** that helps eligible veterans and their surviving spouses pay for assistance they need **in their own home or in an assisted living facility!**

How can one qualify?

- **Medical Requirements:** The Veteran or surviving spouse must have trouble with “activities of daily living” (ADL’s): Bathing, Eating, Transferring, Toileting
- **Military Service Requirement:** The veteran must have served during a period of wartime*, (even if not in combat) and was not dishonorably discharged.
- **Asset Limits:** VA has certain dollar limits.

*Wartime is defined as serving at least 90 days and serving at least one day during a declared war. The veteran did not have to be in combat or in a combat zone. Declared war is defined as World War II; Korean War; Vietnam War; & Gulf War (which is still officially ongoing).

How much money can the veteran or surviving spouse receive?

- A single veteran can receive up to **\$22,938.00 a year (\$1,911.50 per month)**
- A married veteran can receive up to **\$27,194.00 a year (\$2,266.16 per month)**
- A surviving spouse can receive up to **\$14,761.00 a year (\$1,230.00 per month)**

Maximum Amount of Assets:

1. The veteran or surviving spouse can have a **homestead (on up to two acres) and one vehicle, regardless of value.**

2. The veteran or surviving spouse can have approximately **\$129,000.00 in other assets** (checking accounts, mutual funds, IRA, rent house, etc.)

CAUTION: Gifts made in the three years prior to applying for Aid and Attendance, will have a “transfer penalty” (a period of ineligibility) of up to 5 years.

4 Examples of how Aid and Attendance can benefit a veteran/surviving spouse:

1. Mr. Singleton, a single veteran, of the Korean War (he was a recruiter in Dallas) was honorably discharged. He has a home worth \$150,000.00, a pickup worth \$30,000.00, a checking account worth \$50,000.00 and a rent house worth \$70,000.00. His income from social security is \$1,500.00 per month. Mr. Singleton is no longer able to live on his own (he has trouble walking and bathing) and wants to hire an in-home nursing service to help with his care at home. The payments to the nursing service for his care are about \$2,000.00 per month. Since this is greater than his social security, he will be eligible for the maximum Aid and Attendance of \$22,938.00 a year (\$1,911.50 per month)—income tax free!!! Plus, he gets to keep his house, his car and up to \$129,000.00 in other assets! (i.e.: his checking account and the rent house)
2. Mr. and Mrs. Smith, a married couple, are both living in an assisted living facility. He is a veteran of the Vietnam War. They have a home worth \$150,000.00, a car worth \$30,000.00 and a checking account worth \$100,000.00. His social security is \$1,500.00 and her social security is \$1,200.00, making their total monthly income \$2,700.00. The cost of the assisted living facility is \$3,500.00 a month. They should be entitled to receive \$2,266.00 per month from Veterans Aid and Attendance. So, their combined monthly income plus the Aid and Attendance equals \$4,966.00 while the assisted living facility costs \$3,500.00 a month, leaving a positive cash flow of \$1,466.00 for Mr. and Mrs. Smith every month! Plus, they get to keep their

house, their car and up to \$129,000.00 in other assets! (i.e.: the checking account)

3. Mr. and Mrs. Jones had been married several years, but Mr. Jones has now passed away. He was a Gulf War veteran. Mrs. Jones has a home worth \$150,000.00, a car worth \$30,000.00 and a checking account worth \$100,000.00. Her social security is around \$1,900.00 per month. Although Mrs. Jones was able to live in their home for a while, she is now partially blind and has trouble walking, cooking and bathing. She desperately wants to remain at home. Their daughter has agreed to take care of her in the home and her mother has agreed to pay her what would typically be paid to someone who works as an “in home” caregiver (say, \$15 an hour). The payments to the daughter for the care of her mother are about \$2,000.00 per month. Since this is greater than Mrs. Jones’s social security, she is eligible for the maximum Aid and Attendance of \$14,761.00 per year (\$1,230.00 per month) income tax free!!! Total income will Be \$3,130.00 and after paying daughter \$2,000.00 she will have \$1,130.00 per month extra! Plus, she gets to keep her house, her car, up to \$129,000.00 in other assets and continue to live at home!

4. Mr. and Mrs. Brown have been married for several years, but Mr. Brown has now passed away.

He was a World War II veteran. Although Mrs. Jones was able to live in their home for a while, she is now partially blind and has trouble walking, cooking and bathing. She wants to move into an assisted living facility (instead of hiring in-home nursing services) and the assisted living facility costs \$3,000.00 per month. Her social security is \$1,900.00 and she should be entitled to receive Aid and Attendance of \$1,230.00 (tax-free) for a total monthly income of \$3,130.00. The cost of her stay at the assisted living facility is more than paid for plus she gets to keep her house, car and up to \$129,000.00 in other assets!

If you or someone you know is a veteran or the surviving spouse of a deceased veteran, you may want to know about this amazing VA benefit. During this “coronavirus” pandemic we are offering a free telephone consultation to analyze your situation and determine if you are a good candidate for Aid and Attendance. Please call our office at (940) 696-5015 to schedule your free telephone consultation today. In the meantime, stay safe!!!

Elder Law Today is written by C. Dan Campbell, Attorney at Law, who is Board Certified by the Texas Board of Legal Specialization in Estate Planning and Probate Law and Civil Trial Law. **This newsletter is not intended to be nor should it be construed as the giving of legal advice. Before taking any action referred to in this newsletter you should consult with an attorney who is knowledgeable in this area of law.** This newsletter is published as a service of C. Dan Campbell, P.C., 4245 Kemp Blvd., Suite 800, Wichita Falls, Texas 76308. Visit our website at: www.cdancampbell.com
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