

Neighbors

Multiple options are available for asset protection

The road to nursing home care often is sudden and unexpected, but for those who have proactively planned in anticipation of long-term care, significant asset protection is possible.

There are several common ways that people attempt to plan for long-term care, although some options are less risky than others.

The first option many people use is to simply give away assets to intended beneficiaries. This option certainly has the benefit of ensuring that beneficiaries receive the property, but it comes with a high risk, particularly for property that the giver intends to continue to reside in. The property will take on the future liabilities of the beneficiary, such as medical debt, lawsuits and possibly divorce or death.

Furthermore, the tax consequences of lifetime gifting of appreciated assets can be shocking, especially considering they usually are unnecessary.

Lifetime gifts are transferred with the original giver's tax basis intact, so when the new owner eventually sells the property, they will find themselves paying a capital gains bill, whereas an inherited property receives a new tax basis of fair market value upon the death of the owner, resulting in a fresh start for capital gains calculations. While in some cases outright gifts of assets is an appropriate plan, those cases are rare.

A second option for planning for long-term care costs is through standalone long-term care insurance policies. LTCI policies were popular in the late 1990s and early 2000s with both insurance companies specializing in LTCI and with purchasers. However, they since have significantly lost their appeal to both.

Insurance companies discovered the likelihood of a longer-aging population cashing in on the policies was high. This resulted in some companies simply canceling policies and refunding money, while many others raised rates and cut benefits.

Purchasers of standalone LTCI policies similarly have become disillusioned with the policies, as actually using them

can be difficult and the benefits rarely cover the increased cost of long-term care.

A much more common approach now for those interested in long-term care insurance is to purchase a life insurance policy that includes a disability rider. This

policy guarantees that someone will receive the benefit of the policy.

If the insured needs long-term care, a portion of the policy can be cashed out each year to pay for care, but if the insured does not need long-term care or only needs to cash out some of the policy, beneficiaries receive the remainder.

The insurance policies with disability riders are particularly useful when combined with an asset protection trust, as an early disability payout will usually exhaust at five years — the same amount of time as the Medicaid lookback period.

In most cases, asset protection trusts are the least risky way of protecting assets.

Asset protection trusts are irrevocable trusts specifically designed to protect assets and tax benefits to the people setting up the trust (the grantors) and the future beneficiaries. Asset protection trusts can usually be set up to allow all income to continue coming to the grantors so that their taxable estate does not change. Homestead exemptions remain the same and property still can be bought and sold within the trust.

Asset protection trusts separate property enough from the grantors to protect it, but do not gift it completely to beneficiaries, which minimizes risk from someone else's liabilities.

Planning for long-term care costs requires intentional, individualized planning. For some people, outright gifting really is the best approach, while for others, an asset protection trust or combination of trust and insurance is the safest direction.

By understanding the options and the consequences of each, families can create a plan that protects assets and mitigates risk.

Cynthia Griffin is an elder law and estate planning attorney at Burnett and Griffin PLLC in Elizabethtown. She can be reached at cynthia@bcglawcenter.com.



CYNTHIA GRIFFIN
SENIOR ADVICE

SOUTH HARDIN NEWS



DAPHNE TURPIN

Strawberries are ripening and we have to pick nearly every day right now. We are still waiting on tomatoes; they are there, but still very green.

BIRTHDAYS. Happy birthday wishes go to Jessie

Ward, Cindy Prah, Annlynn Haggard, Jessica Kerr, Tim Allen, Darlene McCoy, Angela Langley, Linda Reininger, John West, Jason Keplinger, Jessie Smith and Emily Miller.

GET-WELL WISHES. Get-well wishes go Olivia

Banet, Terri Swain, Carol Crabtree, Raymond Carron and Robin Day.

SUBMIT YOUR NEWS. Please call 270-872-3223 or email me at paperkarma1@hotmail.com with any news. Have a great week, everyone.

HOWEVALLEY NEWS

KENTUCKY WEATHER. What amazing days we've been having lately. We've had some rain but mostly sunny days.

MOTHER'S DAY. My mama was taken out riding around by her sons, Brodie and Reggie, along with Elsie. It was a beautiful day. They had lunch also. She also got to sit out on the back porch with her daughter, Stacey, and grandson, Kane. Keith and Renee came by too. She had a great day.

I got to go to church with all my kids and grandkids and then Jamilee and daughters, Kiara and Auroara, took me to Olive Garden for lunch. All of them gave me a hand-painted vase with tulips. Each one put their thumb prints on it. It's a gift I'll look at everyday.



MONA HOLBERT

CHURCH NEWS. HoweValley Methodist Church holds service every Sunday at 10 a.m. Brother John Meadors is pastor. Breakfast will be served Sunday at 9 a.m.

BLESSING BOXES. Located at Stephensburg Lodge Hall at Franklin Crossroads is a blessing box in memory of Garreth Woodson. There also is one at Vertrees Baptist Church. It always is in need of nonperishable food, toiletries, socks, gloves, baby items, school supplies and more. Please feel free to drop off items. Thank you to everyone who donates to them. It's a blessing to the community. If you have any questions, feel free to call me and leave your name at 270-734-5524.

SYMPATHY. Sympathy to the family of Bruce Claggett Sr. He

leaves behind two sons, Bruce Jr. and Daryl, and daughter, Elizabeth.

When we lose people we know it's hard on the family and friends. May God bless each of you for prayers. You may never know how much the families appreciate it.

GET-WELL WISHES. Prayers for those who are ill, or who are struggling, Renee Holbert, Larry Lucas, Dale Vertrees, Marlene Skeeters, Clyde Tanner, Mildred Evans, Jessie Roberts, Connie Cundiff, Alana Meadors, Lisa Crowder, Pam Ford, Brother Ronnie Blair, Dreamis Hill, Pam Graham, Randall Flowers, Shortie Holbert, Brod Holbert, Jimmy and Charlotte Howard, Bobby Woosley, Moe Peters, Lloyd White and Garnett Clark.

SUBMIT YOUR NEWS. To submit news for this column, please call or text 270-734-5524 and leave a message.

Local students included in contest winners

Local students included in contest winners

Agriculture Commissioner Jonathan Shell has announced the winners of the Kentucky Department of Agriculture's annual Poster and Essay Contest.

The theme of the contest, "Kentucky

Agriculture Makes Me Proud," allowed contestants to illustrate, in words and art, their pride in Kentucky agriculture.

The KDA received 1,001 entries. Each winning entry received a \$100 award from Kentucky Agriculture and Environment in the Classroom and will be

displayed at the 2025 Kentucky State Fair in August in Louisville. Winning students were honored May 10 at the University of Kentucky's E.S. Good Barn.

Participants will then be guests at the University of Kentucky versus Oklahoma University baseball game at Kentucky

Proud Park.

Poster winners included kindergarten, Eliza Langley, Creekside Elementary School; and seventh grade, Chloe Adkinson, West Hardin Middle School.

Essay winners included seventh grade, Janiyah Ball, West Hardin Middle School.

Helping Hand benefits from donation



Bishop Marcus Dixon and on behalf of Lady Minister Linda Dixon and Making A Difference Conference donates \$2,000 to Helping Hand of Hope Director Hope Burke.

Cumberlands announces dean's list

In recognition of academic performance, the Office of Academic Affairs at University of the Cumberlands has announced the students named to the dean's list for the spring 2025 semester.

To be eligible for the dean's list, students must be enrolled in at least 12 credit hours, a full course load, maintain a minimum cumulative GPA of 3.50 for the semester and be in good academic

standing. The following area students met these requirements.

ELIZABETHTOWN
Marissa Wallace.

LEITCHFIELD
Marinah Akridge.

RINEYVILLE
Samantha Sutton.

SONORA
Kayeleigh Mindock.

VINE GROVE
Savannah Hossfeld.

TODAY IN HISTORY

Today is **Saturday, May 17**, the 137th day of 2025. There are 228 days left in the year.

On this day in 1792, the Buttonwood Agreement, a document codifying rules for securities trading, was signed by 24 New York stockbrokers, marking the formation of the New York Stock Exchange.

In 1875, the first Kentucky

Derby was held. The race was won by Aristides, ridden by jockey Oliver Lewis.

In 1946, President Harry S. Truman seized control of the nation's railroads, delaying — but not preventing — a threatened strike by engineers and trainmen.

In 1954, a unanimous U.S. Supreme Court handed down its Brown v. Board

of Education of Topeka decision, which held that racially segregated public schools were inherently unequal and therefore unconstitutional.

In 1973, a special committee convened by the U.S. Senate began its televised hearings into the Watergate scandal.

In 1980, rioting that claimed 18 lives erupted

in Miami after an all-white jury in Tampa acquitted four former Miami police officers of fatally beating Black insurance executive Arthur McDuffie.

In 1987, 37 American sailors were killed when an Iraqi warplane attacked the U.S. Navy frigate Stark in the Persian Gulf. Iraq apologized for the attack, calling it a mistake, and paid more than

\$27 million in compensation.

In 2015, a shootout erupted between members of motorcycle clubs and police outside a restaurant in Waco, Texas, leaving nine of the bikers dead and 20 people injured.

Today's Birthdays: Musician Taj Mahal is 83. Boxing Hall of Famer Sugar Ray Leonard is 69. Sports announcer Jim Nantz is 66.

Singer-composer Enya is 64. TV host-comedian Craig Ferguson is 63. Musician Trent Reznor (Nine Inch Nails) is 60. Actor Sasha Alexander is 52. Basketball Hall of Famer Tony Parker is 43. Screenwriter-actor-producer Lena Waithe is 41. Dancer-choreographer Derek Hough is 40. Former NFL quarterback Matt Ryan is 40. Actor Nikki Reed is 37.