



Weinkam & Weinkam, P. A.

Elder Law & Estate Planning

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Life Estate Deeds

With the changes in medical assistance and increase in the number of persons entering a nursing home, the usage of life estate deeds has become quite popular. There are important factors to consider when changing or adding names to your deed. Creating a life estate deed gives the owner(s) of the property the opportunity to add someone to their deed while avoiding capital gains taxes. In viewing this type of deed, there are two options: the life estate deed with powers and the life estate deed without powers.

Under the **Life Estate Deed with Powers**, the owner of the property keeps the property in their own name and specifically states in the deed that at their pass-

ing, the property would go to the named beneficiaries. At the time of death, the inheritance taxes, if applicable, would be applied and the property would then be turned directly over to the heirs. This deed **does not** protect the property from Medical Assistance since the deed can be revised at any time.

Under the **Life Estate Deed without Powers**, the owner of the property adds the beneficiaries to the deed but cannot sell the property without the approval of those named beneficiaries and the appropriate inheritance taxes are applied. This type of deed **does** protect the property from Medical Assistance if the deed was completed 5 years prior to

the person requesting Medical Assistance.

Another option is that an owner may add a person or persons to the deed as a Joint Tenant or Tenant in Common. If this is done, the person(s) being added assume(s) the same tax basis as the original owner. Therefore, when the person who owns the property passes away, the appropriate inheritance taxes are applied as well as any capital gains taxes, which at the current rate will be up to 20%.

It is important to consult an attorney who is familiar with these types of deeds in order to make an appropriate choice.

Why Do I Need a Power of Attorney?

In addition to Life Estate Deeds, a second document that is of importance in Estate Planning is the General Power of Attorney. This document deals with the handling of financial affairs once a person is unable to handle those responsibilities.

The Power of Attorney is generally appointed to handle all financial affairs including, but not limited to, access to bank accounts and other matters concerning the disabled's financial affairs.

Additionally, it should be noted that the primary importance of a Power of Attorney is to avoid the time and expense of pursuing a guardianship. If a person has not appointed a Power of Attorney to represent him or her and then becomes disabled, the only alternative is to pursue guardianship in the Circuit Court in the county where the incompetent person resides. The Power of Attorney also allows the person to appoint a caretaker.

Family News

Louis J. (Luke) Weinkam III is attending Rensselaer Polytechnic Institute (RPI) in NY, where he made the curling team, which was ranked #2 in the country.

Dexter Weinkam is attending Catonsville High School (CHS), where he started on the JV soccer and lacrosse teams while making honor roll each quarter.

Gretchen Weinkam made the honor roll each quarter at CHS while also working as a hostess at Ship's Café.

Vinny Weinkam played on the badminton and tennis teams at Catonsville Middle School and has made honor roll each quarter.



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Reminder...

If our office prepared your will(s), we most likely left them for safekeeping at the Register of Wills in the county in which you reside (or Baltimore City).

If you move out of that county or the city, you should contact our office so we can re-

trieve your will and forward it for safekeeping to the county in which you currently reside.

If you move out of the state of MD, we will return your will to you. We will gladly provide you this service at no cost when you are a current or former client.

If your community or social organization would like to have the attorneys present a free informational seminar on Wills, Estates, Guardianships, and Life Estate Deeds, please call the office at 410-744-3256, and ask for Lou

Contact Us

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Lou Weinkam Sr. Celebrates 50 Years of Practicing Law

Lou Weinkam Sr. recently celebrated his 50th year in the practice of law.

Lou Sr. began as an associate in the law firm of Steinberg and Steinberg in 1967. He branched out to his own practice in the Towson area in 1972 before moving his practice to Catonsville in 1976. In 1984, Lou Sr. formed a partnership, and finally, in 1993, cofounded Weinkam and Weinkam.

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