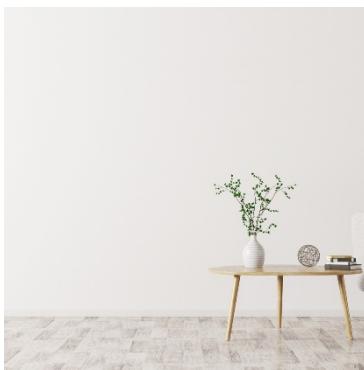




Planning Considerations for Dual Resident Individuals

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Agenda



Why Retire in Another State?
Tax Considerations
Estate Planning Considerations
Planning for Long Term Care
Conclusion

Why Retire in Another State?

Many New Yorkers choose to retire in another state. Some popular places to retire:

- Florida
- North Carolina
- Arizona
- New Mexico
- Nevada



How to choose a place to retire

Weather

Cost of living

Taxes

Access to good healthcare

Activities for seniors

Close to family



Choosing a Place to Retire

Retirees will spend about 50% - 85% of their pre-retirement income in retirement

Cost of living is important – housing, healthcare, transportation

Type of housing – senior living community, townhome, condo, assisted living



Tax Considerations

Know the tax situation

- Income Tax Rate
- Does the state tax Social Security and pensions?
- How high is the sales tax?
- What is the average real estate tax?
- Are there estate taxes?



Income Tax Considerations

States with No Income Tax

- Alaska
- Florida
- Nevada
- South Dakota
- Texas
- Washington
- Wyoming





Income Tax Considerations

- New Hampshire and Tennessee do not tax wages, only tax dividend and interest income
- 4 states exempt almost all retirement income, and 27 states only tax some retirement income



New York residency

Will I still have to pay New York income taxes if I have a house in another state?

If you meet either of these tests, then you have to pay New York income tax

- You are “domiciled” in New York

Or

◦ You maintain a “permanent place of abode” in New York, and you spend more than 184 days in New York state

New York residency

Factors used in determining domicile

Legal address

Driver's license registration

Voter registration

Utility and cell phone bills

Credit card and ATM records

EZ pass records

Airplane tickets

Family



Estate Tax

Does your state have an estate tax?

At the federal level, you only have to pay estate tax if your estate is worth more than \$11.7 million as an individual, or \$23.4 million as a couple

17 states have an estate or inheritance tax in addition to the federal estate tax

For example:

New York exemption \$5.9 million

Florida: no estate tax



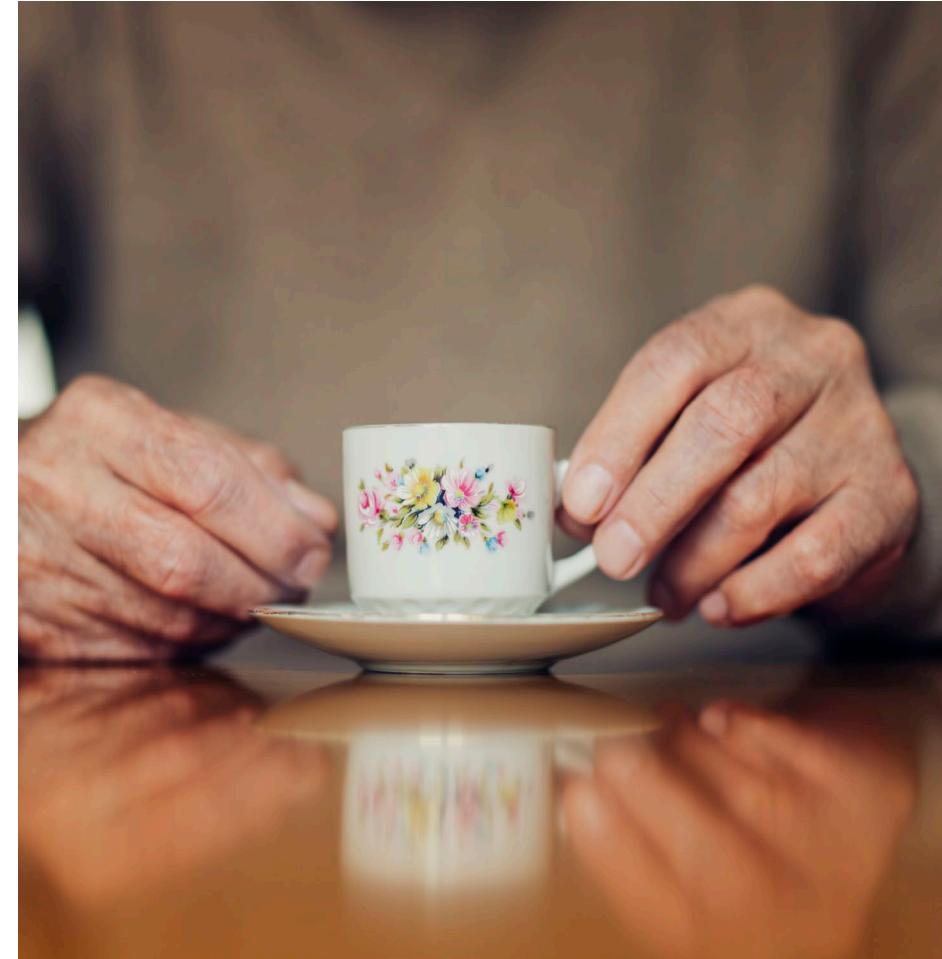


Estate Planning Considerations

- Do you have estate planning documents?
- Will they be recognized in another state?
- Do you need to redo your documents?
- How to avoid probate in another state?

Estate Planning Documents

- Most states will accept documents executed validly in another state
- Advisable to check with local lawyer
- May want to have Power of Attorney and Health Care proxy for each state





Avoiding Probate

If you own property in another state, your will has to be probated in that state to transfer the property to your heirs

You can avoid probate by:

- putting property in a trust
- putting property in your children's names
- life estate deed
- LLC for vacation property

Long Term Care Considerations

- What resources are available in the state – assisted living, nursing home?
- What are the state's Medicaid laws?
- Is it hard to find home health aides?
- Is your family nearby to help out?



Long Term Care Considerations

- Do you have an Irrevocable Trust?
- Trusts are transferable to other states
- What are the state's other Medicaid eligibility requirements?
- Not all states have robust Medicaid home care programs





Long Term Care Considerations

- You cannot simply transfer Medicaid to another state, you must re-apply in the new state
- Each state has different eligibility rules, but the income and asset rules are usually similar
- For example, every state has a 5 year lookback period, except for California which has a 2.5 year lookback period

Long Term Care Considerations

- Many individuals that have a second home in another state will choose to return to New York when they need long term care
- Reasons: to be closer to family, friends, doctors and healthcare professionals
- Caution: need to establish residency in NY if you are going to apply for Medicaid in NY



Summary

With careful advance planning, you can enjoy retirement while living in two different states



Thank You

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