



The Makofsky Minute | October 1, 2018

ACT NOW for VA Benefits

Effective October 18, 2018 the Department of Veterans Affairs will implement new rules pertaining to eligibility. The following is a brief summary of the most note-worthy changes that will affect the Aid and Attendance pension program:

The Bad News...

The New "Lookback" Period

Currently, an applicant can make transfers of his or her excess assets without incurring any penalty, irrespective of the amount transferred. Effective October 18, 2018, the VA will begin implementing its own "lookback" period, similar to Medicaid's lookback period for nursing home benefits. The new VA lookback period for Aid and Attendance benefits will be 36 months prior to the application. Any "covered assets" transferred for less than fair market value will impose a penalty period.

Unlike the Medicaid penalty period, the VA penalty period begins to run on the first day of the month that follows the transfer regardless of when the application for pension benefits is submitted. The maximum penalty period imposed is five (5) years.

Again, assets transferred before October 18, 2018 are NOT subject to a penalty period. Consider getting all those transfers completed before the cutoff date so that an application for Aid and Attendance can be made without penalty!



Some Good News...

Net Worth and Unreimbursed Medical Expenses

An applicant's net worth cap is set to increase to \$123,600, which is equal to Medicaid's Community Spouse Resource Allowance (CSRA) for 2018. This amount is set to increase for inflation in line with the Social Security cost of living increase each year.

It is important to remember that for VA purposes "net worth" is defined to include the applicant's assets (with some exclusions) and annual income, less allowable deductions, which include unreimbursed medical expenses whose definition has been expanded by the new rules.

The time to act is now. Give us a call to help you determine if a VA Pension is right for you or a loved one. The time to plan ahead under the old, more favorable transfer rules is now, before time runs out!

At Makofsky & Associates, P.C. we help our clients prepare for the future, protect their assets and meet tomorrow's challenges with proper planning today.

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