

## Did you know?

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### Domestic Registered Partnership Act

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As of April 21, 2007, Washington State permits same-sex couples over the age of 18 to become domestic partners. The process of becoming a registered domestic partnership requires filing a declaration of state registered domestic partnership with the office of the Secretary of State and paying a fee). The Domestic Partnership law also allows heterosexual couples to elect domestic partnership status when one individual in the partnership is at least age 62 (the age at which many people choose to retire and are eligible to begin collecting social security and pension benefits.)

The Washington Domestic Partnership Act allows registered domestic partners certain rights that were previously only available to married couples, such as hospital visitation rights, the ability to authorize medical intervention, autopsies and organ donations, and inheritance rights when there is no Will.

A party to a state registered domestic partnership may terminate the relationship by filing a notice of termination with the office of the Secretary of State (and paying a fee). The notice must be signed by one or both parties and notarized. The state regis-

tered domestic partnership is terminated effective 90 days after the date of filing the notice of termination (and payment of the filing fee). A state registered domestic partnership is terminated if either domestic partner files a declaration of termination, or if either or both parties enter into a marriage that is recognized as valid in this or any state.

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### Gifts to Minors

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Under changes to Washington's Uniform Gifts to Minors Act, a custodial account can now be established to hold an inheritance for a minor, and the custodial account can now remain in place until a child reaches age 25. But, if you choose to extend the life of the custodial account to age 25, you cannot also claim the benefit of tax-free transfers under the IRS' annual exclusion gift rules.

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### And Speaking of Children...

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A parent or guardian may through a power of attorney or Will nominate a guardian of person and estate for one's children, or for children for whom one is the legal guardian, and who are under the age of majority (age 18).

At SCB, attorneys in our Life and Estate Planning Group provide client services in estate planning and elder law – including guardianship, probate, and trust and estate litigation and dispute resolution – and family law – including dissolutions, and child support and custody actions.

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## Small Estates

Estates of persons dying with \$100,000 or less of personal property can now avoid the probate process and use the Small Estate procedure to claim the assets of the Decedent.

## How Will You Pay for the Cost of Long Term Care?

Generally there are 4 options for paying for the cost of long-term care, which is now estimated to be \$270 a day (for nursing home care) in Washington State. Individuals can self-insure and pay privately; use a combination of private

funds and long-term care insurance; seek funding through the use of a reverse mortgage on a residence, or seek governmental medical assistance through the Medicaid program.

By penalizing gifts of resources to third parties, gifting has been virtually eliminated as an option. Currently, the "look back" period regarding gifts is 5 years (60 months from the date an application for benefits is filed). For gifts made after April 2006, the penalty period for benefits is calculated by dividing the value of the gift by \$206. The number that results is the ineligibility period for benefits. For example, a gift of \$12,000 made in December 2006 results in

a penalty as follows:  $\$12,000 / \$206 = 58$  days of ineligibility.

The penalty (58 days of ineligibility) begins on the day on which Medicaid benefits would be available, but for the gift.

Federal Estate Tax	
Applicable Exclusion Amounts	
Year	Exclusion Amount
2007, 2008	\$2,000,000
2009	\$3,500,000
2010	repealed for 1 year
after 2010	\$1,000,000*

\*pending Congressional action