

Medicaid Spousal Impoverishment Figures for 2016

In 2016, the spouse of a Medicaid recipient living in a nursing home (called the "community spouse") may keep as much as **\$119,220** without jeopardizing the Medicaid eligibility of the spouse who is receiving long-term care. Called the "community spouse resource allowance," this is the most that a state may allow a community spouse to retain without a hearing or a court order. While some states set a lower maximum, the least that a state may allow a community spouse to retain in 2016 will be **\$23,844**.

Meanwhile, the maximum monthly maintenance needs allowance for 2016 will be **\$2,980.50**. This is the most in monthly income that a community spouse is allowed to have if her own income is not enough to live on and she must take some or all of the institutionalized spouse's income. The minimum monthly maintenance needs allowance of **\$1,991.25**. Higher monthly allowances are allowed under special circumstances. Consult with a qualified professional.

For a complete list of the 2016 Social Security changes, go to:
<http://www.ssa.gov/news/press/factsheets/colafacts2016.pdf>



Message from Frederick P. Niemann, Esq.

The decision to move a family member or a loved one into a nursing home is one of the most difficult decisions you can make.

Perhaps the move is being made because the family member can no longer care for him or herself...or perhaps the person has a progressive disease like Alzheimer's...or has had a stroke or other life altering condition.

No matter the reason, those involved are almost always under great stress. At times like these, it's important that you pause, take a deep breath and understand **there are things you can do**. Good information is available and you can make the right choices for you and your loved one.

I have prepared an information booklet filled with lots of advice, helpful information and answers to the most frequently asked questions that I deal with on a daily basis, as an Elder Law Attorney.

Your inquiries are always welcome at Hanlon Niemann and Wright, a client friendly office with kind, patient and compassionate professionals. Let our experience guide and protect you.

The 2016 Personal Reference Guide to

- Social Security*
- Medicaid Eligibility*
- Long Term Care*

*Insurance and other
Timely Tax Information
for Individuals and
Their Families*

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Medicare Premiums, Deductibles and Co-Payments for 2016

Basic Part B premium: \$104.90/month

- Part B deductible: \$147
- Part A deductible: \$1,260
- Co-payment for hospital stay days 61-90: \$315/day
- Co-payment for hospital stay days 91 and beyond: \$630/day
- Skilled nursing facility co-payment, days 21-100: \$157.50/day

Premiums for higher-income beneficiaries.

- Individuals with annual incomes between \$85,001 and \$107,000 and married couples with annual incomes between \$170,001 and \$214,000 in 2016 will pay a monthly premium of \$146.90.
- Individuals with annual incomes between \$107,001 and \$160,000 and married couples with annual incomes between \$214,000 and \$320,000 in 2016 will pay a monthly premium of \$209.80.
- Individuals with annual incomes between \$160,001 and \$214,000 and married couples with annual incomes between \$320,001 and \$428,000 in 2016 will pay a monthly premium of \$272.70.

- Individuals with annual incomes of \$214,000 or more and married couples with annual incomes of \$428,000 or more in 2016 will pay a monthly premium of \$335.70.

Rates differ for beneficiaries who are married but file a separate tax return from their spouse:

- Those with incomes between \$85,001 and \$129,000 will pay a monthly premium of \$272.70.
- Those with incomes greater than \$129,000 will pay a monthly premium of \$335.70.

Social Security Benefit Changes for 2016

Cost of Living Increase: No increase for 2016. Social Security benefits are indexed to inflation and are adjusted annually to reflect increases in the cost of living.

- Estimated Average Monthly Social Security Benefit Payable in January 2016: \$1,328
- Maximum Taxable Earnings: \$118,500
- Maximum Social Security Benefit: \$2,663/mo.

Retirement Earnings Test Exempt Amounts

- Under full retirement age: \$15,720/yr.

The year an individual reaches full retirement age: \$41,880/yr.

SSI Federal Payment Standard

- Individual: \$733/mo.
- Couple: \$1,100/mo.

Annual Gift Tax Exclusion Remains at \$14,000

The annual gift tax exclusion will remain at \$14,000 in 2016. The gift tax exclusion is the amount the IRS allows a taxpayer to gift to another individual without reporting the gift.

Long-Term Care Premium Deductibility Limits for 2016

The Internal Revenue Service has announced the 2016 limitations on the deductibility of long-term care insurance premiums from taxes. Any premium amounts above these limits are not considered to be a medical expense.

<u>Attained age before the close of the taxable year</u>	<u>Maximum deduction</u>
40 or less	\$ 380
More than 40 but not more than 50	\$ 710
More than 50 but not more than 60	\$1,430
More than 60 but not more than 70	\$3,800
More than 70	\$4,750