

PERSONAL SERVICE AGREEMENTS

The new Medicaid rules make gifts to family members very complicated for gifts made on or after February 8, 2006. The use of a Personal Service Agreement for a caregiver can many times be used instead of making gifts with more benefits for all members of the family.

The benefits of having a Personal Service Agreement include:

- Mom and Dad is much more likely to live at home.
- Mom and Dad do not burden their children.
- The child (daughter and/or son) providing the services is fairly compensated among the siblings.
- Mom and Dad's money stays in the family instead of being spent at the nursing home.
- Compliance with all taxes and Medicaid laws

Personal Service Agreements have tax complications and should be prepared by an Elder Law attorney. Please contact us for more information about these agreements. For more information about Personal Service Agreements please visit the seminar link, and review the materials prepared by Keith P. Huffman for a continuing education seminar presented to other lawyers in Indianapolis on December 12, 2006.