A CONSUMER GUIDE · FROM THE FIDUCIARY POINT OF VIEW

Declining Health & Wealth Transfer

A Fiduciary's Take on the Two Biggest Destroyers of Your Retirement Wealth — with the Florida rules most retirees have never been told

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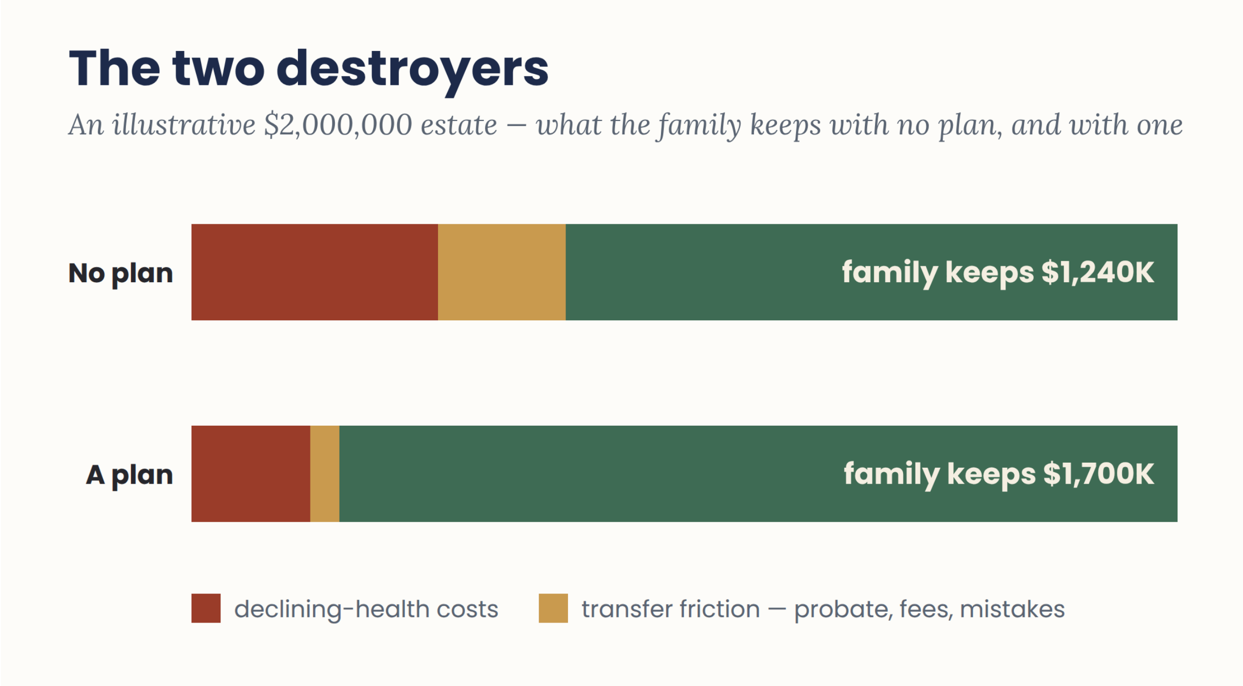
First, the one idea under this whole series

You worked your whole life trading *life for money* — by the hour or by the year. Retirement reverses the exchange: from here on, you trade *money for life*, and the job flips with it. While you worked, the right obsession was the wage — the most money for the life you traded. In retirement it is the **exchange rate** — the most life for the money you trade back — and that is a **cost** question. The industry aims your attention at earnings on money; this series aims it at the costs that quietly set your rate, because your capital can only compound on what the costs leave behind. This guide prices the two costs that arrive last and cut deepest.

The two enemies nobody budgets for

You defended your savings for forty years against markets, fees, and inflation. The two most reliable destroyers of retirement wealth are neither: they are **declining health**, which can spend a lifetime of savings in a handful of years, and **wealth transfer**, which decides how much of what remains actually reaches your family instead of courts, delays, and forms you signed in 1996. Both arrive at the end of life, when fixing anything is hardest — and both respond to a short stack of inexpensive paperwork, prepared under the right state's law, while everyone is still healthy.



Illustrative only. Care costs spend the estate down while you are alive; transfer friction — probate, disputes, stale forms — taxes whatever is left.

Who is talking: The WealthKare Investment Center is a fiduciary advisory firm that charges a disclosed flat fee for planning of exactly this kind, so we are not neutral about whether planning is valuable — weigh what follows accordingly. And a bright line up front: we are not attorneys, this is not legal advice, and every document below should be prepared with a licensed Florida attorney. Our role is the financial side — sizing the exposures and coordinating the plan.

Destroyer one: the care bill and the payer mix-up

Medicare pays for hospitals, doctors, and a short stretch of rehab — roughly a hundred days at most. For long-term *custodial* care (illustratively $60,000–$120,000+ a year in Florida), Medicare pays **zero**. The program that does pay is **Medicaid** — after strict income and asset tests. Three things a Florida retiree should know by name: assets moved to an **irrevocable trust** are generally protected only if moved before Medicaid's **five-year lookback**, which is why this planning belongs to the healthy years; Florida is an **income-cap** state, where a few dollars of excess monthly income disqualifies you outright unless routed through a **qualified income trust** (a "Miller trust") built for exactly that; and your **homestead** is generally not counted while a spouse lives there. A revocable living trust, whatever you were told, protects **nothing** from care costs — what you can take back, the state counts. Never move a dollar of this kind without an elder-law attorney.

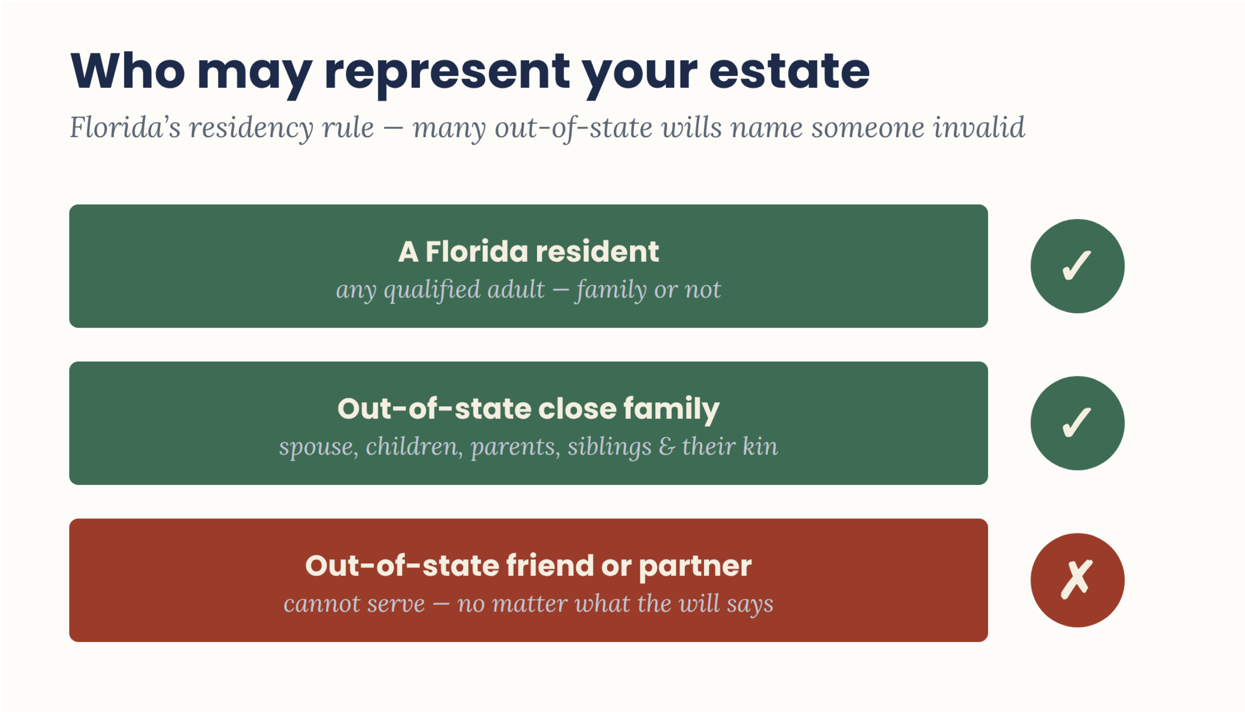
Destroyer two: transfer friction — and Florida's special rules

Without planning, incapacity means **guardianship** — a public court case costing months and five figures to buy authority a $500 power of attorney would have granted in days. Death without planning means **probate**: public filings, most of a year, and attorney fees Florida's statute blesses at roughly 3% of the first million. And documents that moved to Florida with you carry traps of their own:

Florida rule	What retirees don't expect	The fix
Out-of-state documents	Your old will is usually *valid* — but old POAs and health directives get rejected in practice by banks and hospitals, and the will knows nothing of Florida's rules	Re-execute the core documents under Florida law after the move
Personal representative	An out-of-state **friend, business partner, or adviser cannot serve** as your estate's representative — only Florida residents or close family (from anywhere) qualify	Re-staff every fiduciary seat: representative, trustee, POA agent, surrogate
Homestead	Creditor protection with no dollar cap — but with a surviving spouse or minor child, Florida restricts who may inherit the home, and overrides wills that disagree	Plan the house deliberately — spousal waivers, trusts, or an enhanced life estate ("Lady Bird") deed
Elective share	A surviving spouse can claim roughly 30% of a broadly defined estate — reaching trusts and beneficiary assets — regardless of the will; second marriages are the classic collision	Pre/postnuptial waivers with independent counsel; trusts that provide for the survivor with remainder to each side's children
Beneficiary forms	IRAs, 401(k)s, annuities, life insurance, and TOD accounts pass by designation and **outrank the will**; old forms pay old spouses and skip new grandchildren	An annual twenty-minute audit of every designation, from the custodian's records
Unfunded trusts	A living trust governs only what was retitled into it — an unfunded trust is an expensive binder plus a full probate	Fund it: deeds, account titles, and designations, checked, not assumed

Florida also pays you to update: no state income tax, no state estate or inheritance tax, and homestead benefits — all easier to claim with Florida documents evidencing Florida domicile.

Who may stand for you



Florida's residency rule for personal representatives. Walt's Ohio will naming his business partner was valid — its most important sentence was not.

The stack that answers both destroyers

Seven documents, one plan

The stack that decides both destroyers — and the review date most people skip

Will	*who gets what — and who represents you*
Revocable living trust	*skips probate; manages assets in incapacity — only if funded*
Durable power of attorney	*someone can act on finances without a court*
Health care surrogate	*someone can speak to doctors and decide*
Living will	*your own instructions for end-of-life care*
HIPAA release	*lets the people you chose even be told*
Beneficiary designations	*override the will — the forms must match the plan*

Each one goes stale the day your life, your family, or your state changes.

Seven documents — each inexpensive alone, each catastrophic to be missing, and every one stale the day your life, your family, or your state changes.

The honest case for doing less

Fiduciary means saying this too. If your estate is modest and simple, your documents are recent and Florida-drawn, your fiduciaries are correctly chosen, and your beneficiary forms match your intentions, you may need nothing but the annual audit. Irrevocable Medicaid trusts are a genuine surrender of control and are wrong for many families; long-term-care insurance has real costs and underwriting; and elaborate structures sold to simple estates are fee generators. The point is not maximum paperwork. It is a **deliberate** plan — sized to your actual exposure, checked against Florida law, and kept current.

> *The two destroyers cannot be abolished. They can be demoted — from catastrophes to line items — by a stack of paper that costs less than one month of the care bill it manages.*

Is it time to update? A quick sorting test

- **Likely yes** — your documents predate your move to Florida or are 5+ years old; anyone named has died, divorced, or moved; you remarried with children on both sides; your representative is out-of-state and not family; you couldn't say who may lawfully pay your bills the week after a stroke.
- **Likely calm** — recent Florida documents, correctly staffed seats, funded trust, and beneficiary forms you have actually read this year.
- **Either way** — if a five-year care event would consume the healthy spouse's retirement, the Medicaid-planning conversation belongs on this year's calendar, while the five-year clock can still run.

Six questions that sort estate advice quickly

- Are my documents drawn under Florida law — and when were they last reviewed by a Florida attorney?
- Who is named in every fiduciary seat — and may each of them legally serve in Florida?
- What happens to my home under Florida's homestead rules, given my family as it actually is?
- If one of us needed care next year, what pays — and what would five years of it do to the other's retirement?
- Is the trust funded — can you show me the titles and deeds, not the binder?
- What would have to be true for "you need nothing new" to be your recommendation?

The last one is the whole guide in one line. A professional who cannot describe the client who needs nothing is selling, not advising.

The bottom line

Declining health and wealth transfer will be the last two financial events of your life, and they are the only two you must plan entirely in advance — there are no do-overs from a hospital bed or a graveside. The tools are unglamorous: seven documents, a funded trust, correctly staffed seats, an annual twenty-minute audit, and — where the care exposure is real — an elder-law conversation held five years before you hope to need it. Ask the six questions, insist on Florida paper for a Florida life, include your attorney and your CPA — and then decide on purpose, whatever you decide.

The full argument — with the stories, the diagrams, and the Florida rules shown at book length — is *The Financial Impact of Declining Health and Wealth Transfer for Retirees*, and the series companion is *The Flat Fee Revolution*. Other guides in this series: *Is Your Annuity Any Good?*, *Is an Annuity Right for You?*, *What Does Your Advisor Really Cost?*, and *Retirement Tax Planning — Is It for Me?* · **InsideYourRetirement.com**

IMPORTANT DISCLOSURES

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