



The Gnomes play Little Compton

The Gnomes, a popular Rhode Island 5-piece band playing global folk-fusion tunes, will be playing on the Commons this Friday.

WHERE: United Congregational Church, 4 Commons, Little Compton
 WHEN: Friday, July 8; 7 p.m.
 COST: \$15 for adult, \$5 under 16
 MORE INFO: 401/635-8472

AGING WISELY

Caregiver contracts: a smart planning trend

Many people are willing to voluntarily care for a parent or loved one without any promise of compensation. Even so, a growing number of people are entering into caregiver contracts (also called personal service or personal care agreements) with their family members. Having such a contract has many benefits. It



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rewards the family member doing the work. It can help alleviate tension between family members by making sure the work is fairly compensated. In addition, it can be a key part of Medicaid planning, helping to spend down savings so that the elder might more easily be able to qualify for Medicaid long-term care cover-

age, if necessary. If caregivers are paid but have no contract, the Rhode Island Medicaid authorities may determine the payments were gifts and not payments for services. These "gifts" may significantly delay access to Medicaid benefits.

The following are some things to keep in mind when drafting a caregiver contract:

■ **Taxes.** Keep in mind that there are tax consequences to hiring an employee. The caregiver will have to pay taxes on the income he or she receives. If the caregiver does not pay taxes, the Medicaid authorities may determine that the payments to the caregiver were gifts, causing Medicaid qualification to be delayed.

■ **Meet with your attorney.** It is important to get your attorney's help in drafting the contract, especially if qualifying for Medicaid is a goal. It is also important to get an accountant's help in setting up the necessary FICA,

income tax and worker's compensation payments. Figuring what needs to be paid for an employee and when can be difficult to determine without the assistance of a professional familiar with the process.

■ **Caregiver's duties.** The contract should set out the caregiver's duties, which can be anything from driving to doctor's appointments and attending doctor's meetings to grocery shopping to help with paying bills. The length of the term of the contract is usually for the elder's lifetime, so it is important to cover all possibilities, even if they are not currently needed.

■ **Payment.** Payment to the caregiver can be made in weekly or monthly installments. For Medicaid purposes, it is very important that the pay not be excessive. Excessive pay could be viewed as a gift for Medicaid eligibility purposes. The pay should be similar to what other care-

givers in the area are making, or less. Lump sum payments for caregiver services are not permitted under the Rhode Island Medicaid rules.

■ **Other sources of payment.** If the elder does not have enough money to pay his or her caregiver, there may be other sources of payment. A long-term care insurance policy may cover family caregivers, for example.

Most of the time, when I tell my clients that the caregiver must pay tax on their earnings, the family will decide not to proceed to draft the Caregiver Agreement. Again, paying a caregiver without a contract in place can be deemed by the Medicaid authorities to be gifts subject to a Medicaid penalty. In this situation, the family will have a \$9,000-12,000/month problem because their loved one will not be able to receive Medicaid services for a period of time, calculated based on the amount of money given

away. If Medicaid services are unavailable the family is forced to care for their loved one at home (very difficult if the elder is not ambulatory) or private pay for the nursing home. The more money given away, the longer the wait for Medicaid services. I would expect the income, FICA and workers compensation payments to be significantly less than the \$9,000-12,000 monthly cost of a nursing home in Rhode Island today.

Attorney Macrina G. Hjerpe is a partner in the Providence law firm Chace Ruttenberg & Freedman. She practices in the areas of Estate Planning, Probate, Estate Administration, Trust Administration, Trust Litigation, Guardianship, Business Succession Planning, Asset Protection Planning, Elder Law and Estate Litigation.

NIBBLES

From **FACING PAGE**

national breweries. Your registration fee gets you entry to the race, the festival, finisher medal and a commemorative event glass. A separate ticket is available for non-runners wishing to just attend the Festival, and designated drivers. This is a 21+ event. For tickets visit eventbrite.com/

Tuscan Cooking Class in Westport

This Tuscan cooking class and dinner in Westport is hosted by Dedee and Bill Shattuck in the gallery and features Chef-Instructor Angelo Guida of Food.Stories.Travel, in addition to some vendors that will be introduced during the grocery shopping hour! The class will meet at 4 pm for grocery shopping followed by the cooking lesson to begin at 5:30 and end with a four course Tuscan dinner. Sunday, July 17 from 4 to 7 p.m.; Dedee Shattuck Gallery, 1 Partners Lane, Westport. Price is \$109 per person and includes visits to farmers, class, dinner, food, wine, water, taxes and tips. During

this class Food.Stories.Travel will share more information about their upcoming tour "Art and Food in Tuscany" at the end of April 2017, where you will meet with food producers and different artists of the region. Register quickly as space is limited. If you have any questions call 508/636-4177.

Cookin' It Old School at Hope & Main

Tyler Demora, Executive Chef of Local 121 in Providence, is featured at Hope & Main's intimate and interactive tasting dinner, Cookin' It Old School, on July 25. Demora is celebrated for his French-inspired technique, his snout-to-tail butchery of animals he hand selects, and his flavorful seasonal ingredient selections, prepared with respect and expertise. Guests will enjoy seeing their food prepared, learn professional techniques from Chef Demora, and sit down to a tasting meal with up to 15 others. From 6 to 9 p.m.; \$100. Register at bit.ly/TylerDemora.

Food Trucks at City Hall

Come to historic City Hall in Providence July 28 from 5 to 8 p.m. and experience the streets lined with local food trucks. This new monthly event is held the 4th Thursday of each month from May to September.

Experience summer in the city, explore the downtown shops and bars, and eat from your favorite local food truck or try something new. Food trucks accept cash, credit, or debit. Admission is free. See the full list of food trucks attending at foodtrucksin.com/events/food-trucks-city-hall.

Cool Jazz at Mount Hope Farm

Join MHF for an afternoon of good food & fun at Mount Hope Farm's Cove Cabin. Featuring music by Nancy Paolino & The Black Tie Band; Raw Bar, New England Clam Chowder, Lobster, Steak and All the Fixin's. Cash Bar; \$75 members; \$85 non-members. For more information visit mounthopecove.com.

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- Sports (Hoops with Hart Basketball, Tennis, Lacrosse, Soccer)

Space in certain camps is limited, so register today. **LUNCH INCLUDED!**

Descriptions & registration, visit www.standrews-ri.org/summerprograms