

HOW TO PROTECT YOUR COTTAGE OR CAMP WITH A LION CUB DEED

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In a Lion Cub Joint Ownership Deed, you will add your most trustworthy child or other loved one to the title of your cottage or camp as a 1% owner (the cub) and you retain a 99% ownership (the Lion), all parties as **joint owners with rights of survivorship**. This trusted child will sign a sharing agreement to share with your other desired heirs upon your passing.

The Tax and Medicaid Advantages are Many

- Your control can be maintained as you still own 99%.
- Probate is automatically avoided upon your passing because of the survivorship feature.
- If you enter a nursing home, Medicaid's 60-month Look-Back period will start running against the state. After waiting out the 60 months, your cottage or camp will be exempt from Medicaid spend down risk.
- A joint ownership deed is the only option which prevents the Pop-Up Tax on the taxable assessment (uncapping the freeze) when the original owners pass, thanks to the Klooster v City of Charlevoix case decided on December 15, 2009. Other options, such as a life estate, Lady Bird, Living Trust and LLC deed all trigger the Pop-Up Tax.
- A Lion Cub Deed also captures an income tax-free inheritance for your children under new IRC Section 1022 if the property is sold.
- The problems of divorce and creditors of the named beneficiary (the Cub) are reduced because only the trusted child you named is on the title. Moreover, these problems are minimal because the trusted child only owns 1% and will sign a power of attorney back to you.
- After your passing, the trusted Beneficiary you name will be in charge—and will abide by the written instructions you made as to whether to retain or sell the property and who will share in the cottage or camp. These instructions will be agreed to, in advance, by the trusted child.



We have found that our clients can easily understand the joint ownership deed and that a participating trusted child can easily be recruited.