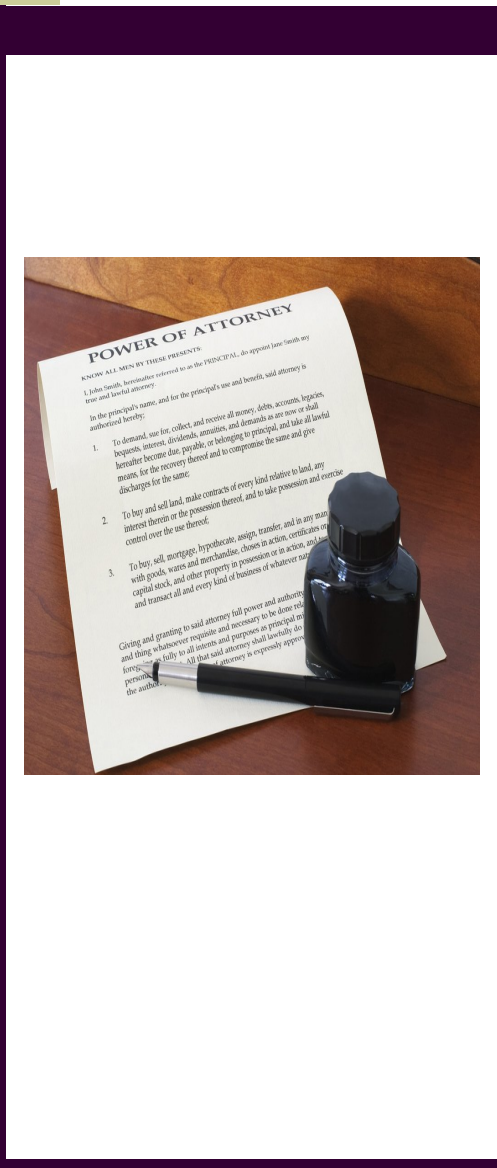


Life Estates



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Life Estates

What is a Life Estate?

A life estate allows a grantor (typically a parent) to gift away property (typically a home) but reserve the right to exclusive use and occupancy during the grantor's lifetime. The maintenance, repair, utility and tax expenses will continue to be the responsibility of the grantor.

Life estates are also used to gift property to conservation organizations or charities. These are often used in estate planning, but care must be taken to avoid Medicare transfer pitfalls after 2005.

Life estates can also be created in a will.

Life tenancies can be conditional, ending upon violation of the stated condition (ex. For so long as the property is used as a wildlife reserve or historical museum). Life estates can be granted for the life of a designated third party. (ex. Sue can also be granted a life estate for the life of John.)

Who Owns a Life Estate?

In a life estate, there are two "owners." The life estate grant (the first "owner") is limited in time to the life of that grantee. After the life estate ends, the other "owner" (the "remainderman") gets all of the rights in the property.

Even though they are not currently holding a possessory interest, the remainderman have important and enforceable property rights. Remainderman can hold life tenants responsible for "voluntary waste" such as deforestation, mining, destroying buildings and acts diminishing title.

Benefits of a Life Estate

One advantage of a life estate tenancy is that money can be received for the "remainder" tenancy while lifetime use can continue by the life tenants. In one sense you get your cake and you can eat it, too. You get paid for the property sale, but you still get to live on the property.

Our office can assist you or your loved one with wills, healthcare proxies, living wills, powers of attorney and other planning documents. Contact our office for a free brochure on frequently asked questions about wills or visit our website at www.RochesterPatents.com

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