

Think twice before giving your adult kids your house

By Liz Weston
NerdWallet

Transferring your house to your kids while you're alive may avoid probate, the court process that otherwise follows death. But gifting a home also can result in a big, unnecessary tax bill and put your house at risk if your kids get sued or file for bankruptcy. You also could be making a big mistake if you hope it will help keep the house from being consumed by nursing home bills.

There are better ways to transfer a house to your kids, as well as a little-known potential fix that may help even if the giver has since died.

Why you shouldn't gift a house: If you bequeath a house to your kids — which means they get it after your

death — they also get what's known as a "step-up in tax basis." All the appreciation that happened while you owned the house is never taxed.

Certified financial planner Kenneth Robinson of Rocky River, Ohio, says last year he advised a client not to let his mom give him her house. The mother paid \$16,000 for her home in 1976, while the current market value is close to \$200,000. None of that gain would be taxable if the son inherited the house, Robinson told his client.

Other reasons not to gift a house: Sometimes people transfer a home to try to qualify for Medicaid, the government program that pays health care and nursing home bills for the indigent. But gifts or transfers made within five years of applying for Medicaid can lead to a penalty period, when seniors are disqualified from re-

ceiving benefits. Transferring your home to someone else also can expose you to their financial problems.

There are better ways to transfer a house: There are other ways around probate. Many states and the District of Columbia allow "transfer on death" deeds that allow people to leave their beneficiaries their houses without having to go through probate. Another option is a living trust, which typically costs \$1,500 to \$3,000 to set up but can ensure all a person's assets avoid probate.

And probate in many states is nothing to fear. Most states have simplified probate procedures for smaller estates. Only in a few, such as California and Florida, is probate so expensive and time-consuming that most people should try to avoid it.

"We see avoidance of probate as a big issue in people's minds, sometimes bigger than it has to be," Robinson says.

Q&A: What are my rights during COVID-19?

Q: I am considered an essential worker. I have run out of paid sick leave, but now think I have the COVID-19. Can I ask for time off from work? Do I have any right to paid time off?

A: In a nutshell, yes. If you have symptoms of COVID-19, you are entitled to time off. For many workers, that time off has to be paid. In March, the state Division of Labor enacted the Colorado Health Emergency Leave with Pay (Colorado HELP) rules. These regulations temporarily require companies to provide up to four days of paid medical leave for individuals who need to self-isolate or exhibit symptoms of COVID-19. These regulations cover employees in leisure and hospitality, retail stores that sell groceries, food and beverage manufacturing, food services, child care, education (including transportation, food service and related work), home health care, nursing homes and community living facilities.

Additionally, the U.S. Congress recently passed the Families First Coronavirus Response Act, including the Emergency Paid Sick Leave Act. These laws require states, cities and towns of any size, as well as private companies with fewer than 500

employees, to provide two weeks of paid leave to employees at their full rate of pay (up to \$511 a day), if an individual is told to self-isolate or exhibits symptoms of COVID-19 and is awaiting diagnosis. Although companies with more than 500 employees do not fall under this law, larger companies must provide up to 12 weeks of unpaid, job-protected leave under the Family Medical Leave Act (FMLA) to any employee who has been with the company for more than a year.

If you are exhibiting severe symptoms of COVID-19, you may also qualify for an accommodation under the Americans with Disabilities Act or Colorado Anti-Discrimination Act. "An employee who has COVID-19 may be entitled to an accommodation under the ADA, such as medical leave necessary for recovery, if their symptoms are serious enough to substantially limit major life activities like breathing and taking care of one's self," says Rita Byrnes Kitle, supervisory trial attorney of the Denver Field Office of the U.S. Equal Employment Opportunity Commission. "The focus of the ADA is on the severity and impact of the condition, not on how long the condition lasts. Even temporary illnesses, like

COVID-19, if accompanied by serious enough symptoms, can constitute a disability under the ADA."

Q: My children attend a school that has been closed down because of COVID-19 for the rest of the year, and I have to stay home from work to watch them. Do I have any right to time off?

A: Maybe — it depends on the size of your employer. Here again, the Families First Coronavirus Response Act provides for paid time off. Companies with fewer than 500 employees must provide 10 additional weeks of paid leave, at two-thirds regular rate of pay (up to \$200 a day) if you must stay home to care for a child. To earn this benefit, you must have worked for the company for at least 30 days. The first 10 days of that leave may be unpaid, but after that, you should be getting paid. Companies with fewer than 50 employees may seek exemptions from the Department of Labor on a case-by-case basis. Unfortunately, larger employers do not have to provide similar leave for employees under the Family Medical Leave Act.

Q: I have been deemed an essential worker and have an underlying medical condition that makes me more sus-

ceptible to severe symptoms of COVID-19. Do I still have to go to work? What about when the stay-at-home order lifts?

A: First off, it is important to understand the basis for your concern. Are you generally worried about your safety, or are there documented medical issues you are battling that are considered high risk? If you are suffering from medical issues, it is possible they would constitute a disability under the Americans with Disabilities Act and Colorado Anti-Discrimination Act. And if you are disabled, then you have the right to ask for a reasonable accommodation. In those circumstances, one reasonable accommodation might be to work from home. Also, if you are pregnant and have an underlying condition, you might be entitled to an accommodation under the Pregnancy Discrimination Act.

But what if your job is the type of job you cannot do from home? Then under both these laws, mentioned above, you may be entitled to medical leave until your doctor thinks it is safe for you to return, so long as it is not an indefinite period of leave.

Q: I am afraid to ask for time off because I really need my job. What do I do?

A: It is important to know that

all of the laws mentioned in this column include strict anti-retaliation provisions. Your employer cannot discipline you, cut your hours, reduce your wages, or fire you for asking about your options for taking leave, taking time off if you are entitled to, or asking about your rights. Retaliation is a separate potential legal claim. You should reach out to an attorney if you think your rights may have been violated.



Quair Mohamedbhai is a founding partner of the Colorado civil rights law firm Rarhad Mohamedbhai LLC. He is an adjunct faculty member at Metropolitan State University of Denver where he has taught Employment and Human Resources Law, and at Sturm College of Law at Denver University where he has taught Constitutional Litigation.



Iris Halpern is an attorney at Rathod Mohamedbhai LLC. She is adjunct faculty at the University of Colorado Boulder, School of Law where she teaches Employment Discrimination.

For small-business owners, hard decisions become personal

By Paul Sullivan
© The New York Times Co.

Meganne Wecker got a sense in January of the economic blow coming to her family's furniture business from her suppliers in China. Wecker, the president of Skyline Furniture, a 74-year-old manufacturer in the Chicago suburbs, heard from her partners in China about the economic devastation caused by the coronavirus outbreak. Skyline, which has about \$50 million in annual revenue, sells to retailers like Wayfair and Target, and the supply-chain loss could deliver a huge blow.

She prepared herself for the worst, but it was still gut-wrenching when she and her father, Ted Wecker, Skyline's chief executive, had to shut down the company as the U.S. economy came to a lurching halt. They decided in mid-March to close both factories and stop paying themselves, but they continued to pay all 300 employees for six weeks.

But time is running short, and Meganne Wecker, like other small-business owners, must determine how to keep her company afloat as stores and restaurants are shuttered, manufacturing comes to a standstill and people are told to stay home. Some choices — pay cuts, furloughs, layoffs — could seriously harm employees who have worked for them for years.

The damage is already becoming apparent: More than 6.6 million people filed new claims for unemployment benefits last week, the Labor Department said Thursday, surpassing the record 3.28 million claims

from the week before. For Skyline, it's unclear when the state of Illinois will let it reopen. "Our two priorities were the health and safety of our employees and how we are going to come out of this with a business that's still operating and intact," Wecker said.

She is hopeful that she can get federal funds through a relief effort known as the Paycheck Protection Program to pay most of her employees.

Maneuvering through the crisis is much harder for smaller businesses, which cannot afford the raft of advisers, lawyers and accountants that large companies have to guide them. The chief executives of Visa and Morgan Stanley have publicly pledged not to lay off any employees this year. That's reassuring for the 77,000 workers at the two firms.

But the gesture was comparatively easy for finance companies, which have cash reserves, lines of credit and an ability to borrow more money. They also have businesses that will generate enormous fees in the downturn.

The retail industry, on the other hand, was struggling well before the pandemic forced retailers to shutter stores nationwide. Companies like Macy's and Gap, which combined recently laid off more than 200,000 employees, lack the same cushion and cannot generate revenue with their stores closed.

For small-business owners, keeping everyone employed may not be possible. But they will also have to determine what it would take for the company to en-



Meganne Wecker, president of Skyline Furniture, in Downers Grove, Ill., had to shutter her manufacturing business in March. Lyndon French, © The New York Times Co.

sure the economic slowdown and emerge after the crisis as a viable business.

Even entrepreneurs who have the personal wealth to weather the pandemic are contemplating what their business will look like in a different marketplace.

Bob Parsons, founder of GoDaddy, the internet domain name company, said he was trying to manage a steep drop in income. He had parlayed the billions he made into 18 businesses with 900 employees, but he said most everything was shuttered, including his golf course, the Scottsdale National Golf Club in Arizona, and his Harley-Davidson dealership. His holding company, YAM Worldwide, includes a private lending arm and 2.1 million square feet of commercial real estate in Phoenix. "One of our biggest deals is we own shopping malls," he said. "That's a lot of restaurants, nail shops, fitness centers, and not a lot of rent is going to come in from them."

His initial goal was to keep most of his 900 employees employed through April and then re-evaluate. Brian Ascher, partner at Venrock, a venture capital firm, recommends pulling off the Band-Aid quickly. "If you have to cut, the goal is to cut once, cut deeply and do it quickly," he said. "Then you have to treat the remaining troops really well, so they have psychological safety."

Rent is an area ripe for renegotiation. Parsons is expecting less rent from his tenants, and Ascher is encouraging companies he's invested in to ask for rent reductions. He has seen landlords cut rents by 10% to 20% but also up to 50%.

Another strategy for business owners is to stretch the cash they have. Companies with 18 months of cash are in the best position, and those with 12 months should try to stretch it to 18 months, Ascher said.

But they must spend the cash wisely, said Bob Buchanan, head of business transition planning at Wells

Fargo Private Bank. "If they survive in the short run but their decisions put them in a bad position, it doesn't matter," he said. "If you push off paying your suppliers, will they still be in business in six months from now? Many people haven't thought through that."

Research from Next Street, an advisory firm focused on small businesses, found that 25% cannot make it past 30 days and another 25% do not have enough cash to get past 90 days. The Small Business Administration loans that forgive expenses like payroll may not arrive quickly enough to help.

If there's a silver lining for private businesses, several venture capitalists noted

that recessions spur innovation.

Russo's, a 100-year-old fruit and vegetable company outside Boston, lost half of its revenue in 24 hours when the universities, public schools and restaurants that it supplied closed. Its retail store remains open, and business is increasing.

Karen Russo, a fourth-generation member of the family that owns the company, said she had long wanted to create boxes filled with a variety of fruits, vegetables and other products that could be placed directly in the trunk of a customer's car. Her father, Tony, who owns the company, resisted but finally agreed two weeks ago. Now they have four types of boxes, which are selling well.

THE DENVER POST

HOME DELIVERY CUSTOMER SERVICE
To subscribe, report a service or billing issue, vacation start/stop, move or any other inquiries regarding your service, contact us anytime at DenverPostMemberservices.com or call: Denver Metro Area 303-825-3232 Statewide 1-800-543-5543
Hours Monday – Friday: 6 a.m. – 3 p.m.
Saturday – Sunday: 7 – 11 a.m. • Holidays: 6 – 10 a.m.

RECOVERY DEADLINE TIMES
Monday to Friday recovery for missing, wet or damaged newspapers is available 6:00 a.m. through 9:00 a.m. (where recovery is available)
Saturday recovery for missing, wet or damaged newspapers is available 7:00 a.m. through 10:00 a.m. (where recovery is available)
Sunday recovery for missing, wet or damaged newspapers is available 7:00 a.m. through 11:00 a.m. (where recovery is available)

Classified Advertising & Help Wanted
Denver Metro 303-825-2525
Toll-free 800-332-3327
To place an ad, see denverpost.com/classified

Finance
Advertising Billing 303-954-5308
Subscription Billing 303-812-3232

Denver Post Community
Sponsorship Requests 303-954-2673
Visit us at denverpostcommunity.com

Local & National Advertising
Denver Metro 303-954-1434
Toll-free 800-336-7678

Human Resources
General 303-954-2321

Educational Services/NIE
Teacher Spec Curriculum 303-954-3999
Visit us at ColoradoNE.com

Carrier Jobs 303-954-2374

THE DENVER POST
5990 Washington St, Denver, CO 80216 • 303-954-1010
denverpost.com