

Helping an Elderly Parent with Estate Planning



Broaching the topic of estate planning with elderly or frail parents may feel awkward. But finding a way to start this conversation can be well worth the discomfort. Careful estate planning for aging parents can yield significant emotional and financial benefits for the whole family.

The necessities

Your parent's estate plan should be as comprehensive as possible, and may include the following elements:

Advance health care directive. This document informs others of your parent's wishes concerning health care. It can be as specific or general as they choose. It should name a person to make health care decisions for your parent if he or she is unable to. It can address goals, values and preferences about health care and outline types of medical treatment your parent would want or not want.

Durable power of attorney. If your parent becomes incapacitated, the person named in the durable power of attorney (the agent) is authorized to conduct business and make decisions for your parent. The power may be general — which allows the agent to do anything your parent could legally do — or limited, and could include such things as selling property, making investments or making health care decisions.

Will. A will allows your parents to state what they want to happen to their

property after death. Without a will, their assets will be distributed according to state law, and may not go to the people or causes they would have chosen to receive them. The will must name an executor (also called a personal representative) for the estate. The executor is legally obligated to follow instructions laid out in the will, and will be responsible for taking inventory of the estate, appraising and distributing assets, paying taxes and settling debts owed by the deceased.

Well-organized records. If your parent becomes incapacitated or dies, you or other heirs may have difficulty finding financial records and estate planning documents. Consider asking your parent to compose a letter of instruction to identify the location of important papers and safe deposit box keys and provide log-in information and passwords for online accounts.

Review periodically

Many factors can trigger the need to review an estate plan, from changes in your family

- marriage, divorce, remarriage, birth or adoption, or death of a beneficiary or executor
- to changes in tax law or a move to another state. It's a good idea to schedule regular reviews.

You can help protect your parents' legacy and proactively prepare for you and your family to spend rewarding quality time with them by planning ahead. And

as you're helping them with their estate plans, it should prompt you to consider your own estate plans. Now's the time to do it!

