

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[View this email in your browser](#)

July Newsletter

Welcome to the monthly newsletter of **A/Z Health & Elder Law** where we share tips and information on relevant topics focused on estate planning, elder law services, and life care planning.

We invite you to [contact](#) our office at (630) 510-3213 for additional information or to schedule a consultation for assistance with your planning needs.

[Visit Our Website](#)

I'm excited to share that I'm part of a co-author team to write a book! The author-team of 20 experts in various fields will share their insights, stories, and answer questions to help individuals, families, and caregivers make the best decisions for aging in place. We will be answering questions to help people make their plans to successfully age in place. The book is being published by the [National Aging in Place Council](#), and will be available on Amazon this fall.



[Subscribe](#)[Past Issues](#)[Translate ▼](#)

"How to Handle Turbulent Times in a Turbulent Market"

July 20, 2022

Noon-1pm CST

Virtual Educational Event

We are in turbulent times these days with a lot of uncertainty. Gas prices are higher, inflation is at an all-time high, markets are getting lower, not to mention the war in Ukraine. There is a lot going on to be sure and it has caused some to feel a bit anxious with regard to their finances.

In this conversation-style presentation, ACS Members Maggie Beach and Mike Rice will talk about how they are helping clients to stay committed to their plans, navigate these turbulent times, and stay the course toward their dreams and goals.

[Register Now](#)

Financial Oversight for a Loved One

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

While banking and bill-paying may become more challenging as one ages, incapacity due to an accident or sudden illness can strike anyone at any time, creating similar challenges. Incapacity is not just about mental cognition, accident, or illness. You may have a loved one who cannot drive themselves to the bank or has a distinct visual or hearing impairment. Without a plan, incapacity will jeopardize your loved one's daily financial activity and preservation of wealth. Some possible solutions for financial oversight include:

- Having a caregiver provide help
- Selecting a power of attorney
- Implementing trusts
- Retaining a professional fiduciary
- Combining some of these options

Creating a Financial Plan

Whatever you choose, careful thought and thorough planning are needed for the best outcome. To minimize family conflict, it helps to make plans together before experiencing an illness or accident that makes it impossible to handle financial transactions or decisions. Discussions among siblings, in particular, are important before assigning responsibilities. Openly discuss issues of health and financial oversight with trusted family members to minimize misunderstandings, reduce distrust, and prevent potential legal disputes. If a particular conflict seems unresolvable, a neutral third party, such as trusted clergy, a family therapist, or mediator, can provide impartial counsel.

Fraud

A joint checking account may seem like a straightforward solution for a caregiver to write checks, make ATM cash withdrawals, track expenses, and perform other financial duties on behalf of their ward, but there are risks. The second party on the account may use their banking privileges to steal from your loved one. Creditors can seek payment from either individual on this account, so if your secondary party carries debt, your loved one may wind up paying for it. Finally, when either party dies, money in this account will belong to the surviving account holder, which may create conflict among siblings and heirs.

Setting Up a Convenience Account

About half of all US states now permit a “convenience account” where the second account holder only has permission to transact for the benefit of the original account holder. The account type is handy when the only need is to address paying bills and providing nominal amounts of cash. The secondary party will have no permission to use the money for self-interest or inherit the account upon the principal’s death. Financial stewardship on behalf of a loved one in a convenience account should include:

- Written records of expenses paid from the account
- Notes with the reason for all checks in the memo field
- Money in the account is protected against being borrowed or claimed as an asset
- Purchases can’t be made by the steward or a third party
- A trusted family member acting as the second party to the account is preferred over a paid primary caregiver

When financial oversight for your loved one needs to be more comprehensive, other fiduciary categories can address financial stewardship for aging or incapacitated loved ones.

Power of Attorney (POA)

This legal document, sometimes referred to as a durable financial power of attorney, designates an individual to make financial decisions on behalf of the principal (the assignor of the POA) if they become incapacitated. The principal must be of sound mind to grant a power of attorney.

Naming a financial POA, also called an agent or attorney-in-fact, will prevent the risk of a family going to court to file for guardianship if their loved one becomes incapacitated. Establishing guardianship can be a lengthy, expensive, and potentially divisive process for family members.

Trusts and Trustees

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

financial decisions, the trustee becomes the responsible party for the management of the trust's assets.

A trustee's functions may include:

- Maintaining an insurance policy
- Paying taxes
- Making investment decisions
- Putting valuables in a safe deposit box

However, as long as the grantor is capable, they may change or revoke the trust.

Professional Fiduciary

If your loved one's financial situation is complex, they may prefer to hire a professional money manager to oversee financial decisions. Not every family has a potential candidate that can manage extensive or complicated assets, or even if they can, they may not live close enough for proper oversight.

This professional may be a certified public accountant (CPA), a trust company officer (bank or investment firm) in the business of managing trusts, or your attorney. A professional fiduciary will charge a fee for service yet still permit family members a provision to relieve the fiduciary of their duties if there is dissatisfaction with performance.

Government Fiduciary

These are special fiduciaries appointed by a government agency to manage benefit payments or refunds issued by the agency, generally the Social Security Administration ([SSA](#)), the Department of Veterans Affairs ([VA](#)), and the Internal Revenue Service ([IRS](#)). These agents can be spouses, family members, court-appointed or professional fiduciaries, or another interested party as long as they receive government agency approval.

A Social Security appointee is a [representative payee](#) and can assist with all types of agency benefits, a VA appointee is a [VA fiduciary](#), and an IRS appointee is an [IRS fiduciary](#). These government fiduciaries only have the authority to manage the corresponding agency's benefits or refund checks. They have no other legal power to manage a loved one's property, medical matters, or financial affairs.

Court-appointed Guardian

If your loved one took no action to implement a financial oversight strategy while competent and then becomes incapacitated, the court will conduct a hearing to appoint a guardian. A

[Subscribe](#)[Past Issues](#)[Translate ▼](#)

instances when guardianship needs implementation, but the court process can be lengthy and expensive when immediate decisions for your loved one are needed.

These wide-ranging options all require the appointed person to act with the utmost fiscal responsibility to properly manage their loved one's financial well-being and protect them from elder financial abuse. Family conversations and an elder law attorney's input will help define which options are best for your loved one to implement while they are capable.

If you would like to discuss ways we can help, [contact](#) our office at (630) 510-3213, please don't hesitate to reach out.



Copyright ©2022 **A/Z Health & Elder Law**, All rights reserved.

A/Z Health & Elder Law, LLC

3030 Warrenville Road

Suite 411

Lisle, IL 60532

(630) 510-3213

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

AZ Health & Elder Law · 3030 Warrenville Rd Ste 411 · Lisle, IL 60532-3710 · USA

