



## 7 Questions That Must Be Answered By 70

Regardless of you or your loved one's stage in life, good planning requires that you ask good questions. And asking good questions can be uncomfortable or overwhelming. We have come up with 7 questions that need to be asked by the time someone turns 70. *If you address these 7 things, it will make aging easier on you and your family.*

A little discomfort now can make ALL the difference later. One of the keys to this exercise is not taking an emotional approach. We naturally think of ourselves as 15 years younger than we really are. That means when we turn 70, we actually still feel like we're 55! That's a big difference. One way to combat this is to look at the cold, hard facts about aging:

- People who reach the age of 65 will live, on average, 19.2 more years. That's 84, if you don't want to do the math.
- 36% of people age 65+ reported some sort of disability in 2012. (That's 1 out of every 3 people.) And limitations in daily living activities because of chronic conditions only increase with age.
- Statistics vary, but it is generally thought that 70-80% of people who reach 65 will need some sort of care during the rest of their life!

### Why answer the tough questions now?

By sticking your head in the sand and refusing to think about these issues, you'll create extra stress and expense for yourself and your loved ones. In addition, you may lose your independence sooner if you haven't made choices and arrangements ahead of time.

• 1 in 3 older women are widows. And according to the Wall Street Journal, 86% of widows live in poverty. Almost half of women 75+ live alone.

• And according to David Laibson, who specializes in behavioral finance at Harvard University, about half the 80-year-old population is not in a position to make important financial decisions due to rates of dementia and other kinds of cognitive impairment. This means it's especially important to make those decisions sooner rather than later.

One final encouragement from Dave on this topic, "It is far easier to have a plan pre-70 and tweak it here and there as the situation changes, rather than having to make all the big decisions during a crisis or once a decision-making impairment has begun." Addressing all 7 of

these questions is something that all of our plans do. If answering these questions feels overwhelming, don't stress! We guide our clients through the decision-making process everyday. And when the time comes to start implementing the plan, we work as a support for your family, making sure that things go as smoothly as possible. Now, on to the questions...



**From Dave's Desk...** Bailey and Cole had a ball selling snacks at our recent garage sale! Looking around at outgrown shoes, old games, and Bailey's first bike brought back many memories. All this stuff - stuff we used, then tossed aside, now moves on to another family or kid. With our kids 4 and almost 8, we no longer need it all, so we clean out, and move on. Garage sales are a lot of work (mostly for Michelle), but look at the rewards - a cleaner basement, garage, plus extra money. It's a part of our family's journey. Shoes, games, bikes, all in transition. And so is the Edwards family. Where are you in life's journey? Does your estate plan match where you and your family are today and where they are headed tomorrow?

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WHO'S IN CHARGE HERE?

Estate and elder planning often require a person to name a "helper" which means anyone who is acting on your behalf if you can't act for yourself. Helpers come in different varieties: power of attorney (for property or health), executor (named in a Last Will and Testament), and trustee (named in a trust).

**When choosing a helper, it's advantageous to ask yourself:**

- Who in the family is the best equipped to handle things?
- Who is best with financial issues and details?
- Who is compassionate regarding care or medical needs?
- Who is a procrastinator?
- Who may get power hungry?



**Don't just choose a helper by birth order!**

To read more about choosing helpers, check out our newsletter on the topic at our website: [edwardsgroupllc.com/read-or-watch/newsletter-archives/2013-archived-newsletters](http://edwardsgroupllc.com/read-or-watch/newsletter-archives/2013-archived-newsletters)

DO YOU HAVE THE CORRECT POWERS IN PLACE?

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Sometimes having the right legal document is not enough. You need the correct provision in the document to allow family to maximize benefits, get the best care, and protect life savings. Using specific powers will allow the most planning options near the end of life.

1. **Does the power of attorney allow gifts?** The standard POA does not permit gifts, yet in planning for VA or Medicaid benefits, or dealing with tax planning or asset protection, the ability to gift to the family during life may be a key strategy.
2. **Does the power of attorney allow an adult child to set up a trust for you if you become disabled?** Often a "nest egg trust" (that's my term for trusts we use in long term care planning) is an important tool in planning for asset protection or in maximizing VA or Medicaid benefits. If you develop dementia or suffer a stroke, the normal powers of attorney do not allow your helper to set up a trust.
3. **If you have an existing trust,** does it provide flexibility regarding distributions to the family, or the ability to adjust the terms of the trust using "trust protector" powers? Sometimes the law changes or circumstances change after you become disabled. Will your successor trustee be able to adjust?

***As we plan with clients, we make sure powers of attorney and existing trusts have the most flexibility and the maximum planning options available for later planning.***

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IS YOUR ESTATE PLAN UP TO DATE?

If you or your spouse are facing possible long term care, you may need to adjust your legal documents such as your will, trust, powers of attorney, living will and burial instructions.

Here are some things to consider or review:

- Make an updated list of all property and assets.
- Make copies of account statements, financial documents, deeds and vehicle titles.
- Review beneficiary designations and how assets are owned, especially joint ownership assets.
- Suppose you are healthy but your spouse needs long term care. If the spouse qualifies for benefits, such as VA or Medicaid, what happens if the healthy spouse dies suddenly? Many wills leave all assets to the spouse. However, if your spouse is needing care, then leaving assets to them may mess up benefits or put the assets at risk. Instead, the healthy spouse may want to consider leaving assets to the kids or setting up a special needs trust for the spouse in long term care.
- If your spouse's health is failing or they are facing long-term care issues, you may want to remove them as power of attorney and name someone who will be available in the long run.

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WHAT CARE WILL BE NEEDED AND WHEN?

This is a very difficult question to answer since none of us have a crystal ball - but it is the key to good planning. It is incredibly difficult to think about this topic, but it definitely not time to bury your head in the sand and hope for the best.

Here are some things to consider:

- What can you afford?** It’s good to take a realistic look at the available options, like assisted living, nursing home care or in-home care. How long will your money last? With good planning, are there benefits that could open up options you did not think were possible?
- What can your family handle?** Do your adult children all get along? Are they a good support to each other, or will one child end up shouldering all the responsibility as you age?

- What is the extent of help or care needed?** Like I said, we don’t have a crystal ball, but we do need to make some educated guesses about how much care will be needed and when. (And 70% of people over the age of 70 will need some sort of long-term care.) Good planning can set the stage for care changes that may occur in the future. And benefits such as the VA can provide funds for many different stages of care (in-home care, assisted living or a nursing home).
- Are in-home caregivers an option?** Depending on how much help is needed, perhaps in-home care combined with some family help could be cheaper than going to a facility.
- Should you move out of your home before a health crisis forces you out?** Sometimes we see people stay in their homes so long that their health declines quicker than necessary. Moving to a retirement community often rolls back the aging process.

HAVE YOU EXPLORED ALL THE ASSET PROTECTION OPTIONS?



If care is not yet needed, there may still be planning you can do that will make a big difference in the future.

Options may include:

- Purchasing long-term care insurance. It may be too late, but you should definitely check into this. Check with your financial advisor to see if you qualify and to hear more about what type of coverage might be best for you. If you would like a recommendation about an advisor, contact our office.
- Creating a “nest egg trust” such as a “Medicaid Asset Protection Trust” or a “Veterans Asset Protection Trust.” These trusts can protect assets from future

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healthcare costs, especially when it will be some time before care is needed. If you want to learn more about these trusts, attend one of our upcoming Life Care Planning workshops.

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ARE YOU MAXIMIZING AVAILABLE BENEFITS NOW?

If care is needed for a loved one now, whether at home, in assisted living, or in a nursing home, then make sure that you are maximizing Medicaid and Veterans benefits.

Sometimes people are told by well-meaning friends or even workers at the VA office or nursing

home that “nothing can be done.” But, if your family is paying privately for care, then you need to make sure that you take advantage of any and all benefits available. With good planning, many families get Medicaid or VA benefits much quicker, and protect a large portion of their life savings at the same time.

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HAVE YOU GOTTEN ADVICE FROM AN EXPERIENCED ELDER LAW ATTORNEY?

When a loved one is declining, people naturally turn to friends, families or neighbors who may have faced similar challenges. But is that where your advice needs to end?

An experienced elder law attorney handles long term care issues every day. You need support from friends and loved ones, but you also need professional advice to make sure you are doing everything you can. The laws and benefit rules change year by year. Every family’s situation is different, and your family may have planning options that were not available to others in the past.

Have you noticed that our logo says, “Counselors at Law”? That’s because counseling is a part of what we do. We get to know your unique situation and then give you wise counsel about how to proceed.

## 7 Vital Questions to Ask Before Your 70's

 [WWW.EDWARDSGROUPLLC.COM](http://WWW.EDWARDSGROUPLLC.COM)

OCTOBER 2014



### **Intro to Edwards Group:**

Wills and Trusts Orientation

Thursday, October 9 @ 6:30 pm

Wednesday, November 12 @ 3:30 pm

Thursday, December 11 @ 3:30 pm

#### **Who should attend?**

- Those who know they should plan but are intimidated by the process.
- Those who already have an estate plan, but are unhappy with it.
- Those considering Edwards Group for estate planning.

### **Life Care Planning:**

13 Costly Misconceptions About  
Healthcare for Your Aging Parents

Wednesday, October 15 @ 3:30 pm

Wednesday, November 19 @ 3:30 pm

Tuesday, December 16 @ 3:30 pm

#### **What you'll discover:**

- 12 reasons your parents shouldn't give away their property right now
- 6 ways to get good care for your parents without sending them to a nursing home
- and MUCH more.