

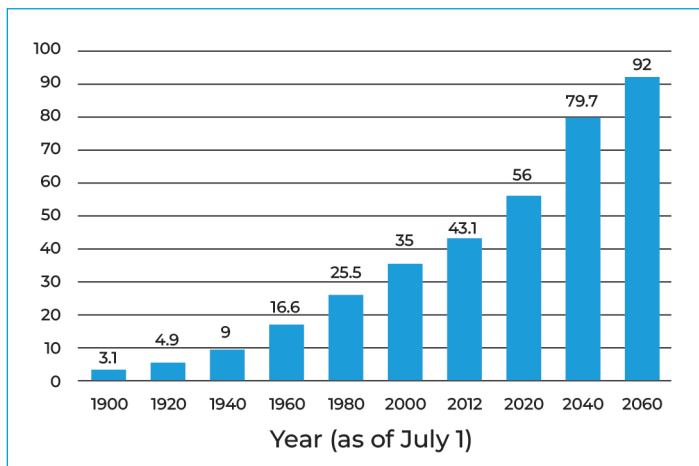
# Caring for Your Loved Ones: *A Family Guide*

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Stepping into the role of a caregiver for an aging parent, disabled spouse, or another beloved family member is a challenging situation that often goes unaddressed in conversation. Finding ourselves in this position, especially when it comes unexpectedly, can be quite overwhelming and bring significant changes to our lives.

Approximately 30 million households currently provide care for an adult aged 50 and above, and experts predict that this number will double in the next 25 years (fig. 1). Consequently, a significant number of Americans aged 40 and over will find themselves taking on the responsibility of caregiving. Research indicates that a staggering 88% of individuals aged 65 and older express their desire to remain in their homes for as long as they can.

**FIGURE 1: The Growth of the Elderly Population in the United States, 1900-2060**  
(numbers in millions)



Source: U.S. Census Bureau Population Estimates and Projections/ U.S. Department of Health and Human Services

As our nation continues to age, the demand for caregiving will become just as prevalent as the need for childcare. Unfortunately, many families fail to anticipate the numerous challenges that can arise when faced with unexpected adult-caregiving responsibilities. These unforeseen issues have the potential to jeopardize the well-being of our loved ones, create financial turmoil, and disrupt the harmony within our families.

It is of utmost importance for families to proactively develop a caregiving plan well in advance of any potential crisis. Essentially, a

caregiving plan serves as a roadmap for discussing and preparing for various scenarios that may arise in the life of the person receiving care. To guarantee seamless and comprehensive care in the event of an unexpected need, it is crucial for the caregiving plan to encompass multiple aspects. This includes addressing the personal, residential, medical, legal, and financial needs of your family member. Additionally, it delineates the desires and priorities of the care recipient, designates individuals to execute them, and efficiently manages all of the recipient's available resources.

Given the emotional challenges associated with these issues, individuals tend to delay addressing them. However, it is crucial to recognize that without proper planning, the quality of ongoing care for your loved one may be compromised. It is important to keep in mind that caregiving affects the entire family, and by planning ahead, you are prioritizing everyone's well-being during a stressful period for all.

## INITIATING THE DIALOGUE

It is always a good idea to start discussing a caregiving plan with your family members, preferably when they reach the age of 60 or older. Caregiving requires teamwork, but having a designated point person to lead the development and execution of the plan can be beneficial. Remember, it is perfectly fine to seek professional help whenever necessary.

Due to the sensitive nature of this topic, there are numerous resources that can assist you in initiating the conversation and managing potential emotional responses (please refer to the Resources section). A straightforward approach to begin could be by mentioning a past experience, such as: "Mom/Dad, do you remember when Aunt Eleanor had a stroke and had to be hospitalized before her children could reach her? Unfortunately, she was unable to communicate by then. We want to avoid a similar situation, so let's start considering your preferences in a worst-case scenario."

It is incredibly important to engage in conversations with potential care recipients regarding their desires and preferences while they are in good health and mentally alert. Instead of discussing your loved one, make it a point to have meaningful conversations with them. Actively involve them by inquiring about their major concerns, top priorities, and personal preferences. By ensuring

that the care recipient feels a sense of ownership over the plan, it will be easier for everyone involved to implement it smoothly.

## TOPICS TO DISCUSS

When developing a caregiving plan, the initial step involves assessing the needs of the care recipient. During the initial discussions, it is important to gather as much information as possible about their health, medical history, and preferences regarding their care management. To streamline this process, you may consider utilizing a questionnaire (refer to the Resources section) to collect relevant information that can be shared with professionals who will assist in creating and implementing the plan.

### Medical Needs and Vital Legal Documents

The initial step in a caregiving plan is to ensure that the recipient's medical requirements are fully met, with ongoing monitoring of the quality of care and regular communication for all parties involved. Additionally, it is important to confirm the availability of assets and income sources to sustain uninterrupted healthcare expenses.

Legal documents to discuss while formulating a caregiving plan:

- **Power of Attorney for Finance (POA)** is a document that grants authority to another person to make legal and/or financial decisions on behalf of someone who may be incapacitated. It is advisable to seek guidance from a professional to establish a POA before a crisis occurs.
- **Power of Attorney for Health** is a document that appoints a trusted health care agent to act on behalf of the patient. This appointed individual is granted authority to make decisions and guide health care professionals and facilities when the patient is no longer able to do so. A living will or health care directive provides specific instructions for medical treatment in cases of terminal illness or permanent unconsciousness.

The significance of having a **last will and testament** cannot be emphasized enough. This important document conveys an individual's final wishes regarding their assets (refer to Estate Planning Review).

Please make sure to regularly review, update, and securely store all your documents. Consider using a "digital vault" service to scan and electronically maintain important medical, financial, and personal records, ensuring privacy and easy access for your family.

Your financial advisor is there to provide guidance and support, helping you access the necessary information and legal assistance you may require.

If families are looking to save money, seeking **government assistance** can be a helpful resource. A financial advisor can play a vital role in providing guidance to identify and access these available public benefits.

- It is worth exploring the possibility of utilizing Medicare

and/or Medicaid, depending on the individual's age and financial assets.

- Veterans and their spouses may be eligible for additional entitlements and government programs.
- AARP offers an online screening tool that can assist in determining if your loved one qualifies for any of the 15 most significant public benefits (refer to Resources).
- There may be assistance available at the state and local level, including property tax relief specifically designed for seniors.

Furthermore, elderly and disabled individuals can enjoy private benefits such as complimentary cell phones, reduced-cost prescription medications, supplemental nutrition assistance, and other valuable resources.

Discussing **final arrangements** is not typically a pleasant topic, but it is wise to address them in a timely manner. Taking care of these matters sooner rather than later can bring peace of mind and ensure that your wishes are properly fulfilled. It is important to remember that this will be the final significant event to honor your loved one, so it is crucial to ensure everything is done correctly. While wills and health care proxies are essential legal documents, they do not capture personal preferences or the emotions that arise from personal conversations, family meetings, letters of intent, or recorded videos.

## PROTECTING THEIR FINANCIAL FUTURE: A STEP-BY-STEP GUIDE

After initiating the discussion about caregiving and covering essential aspects, the next step is to delve into the topic of finances. This entails exploring and addressing the various financial aspects associated with providing care. By taking this important step, you can ensure that all financial considerations are thoroughly examined and properly managed to support the well-being of those involved in the caregiving process.

### Household Budget & Income Review

Gaining a clear understanding of the recipient's financial situation is a crucial step in developing a caregiving plan.

1. Carefully assess all sources of income, which may include monthly Social Security benefits, individual retirement account/401K distributions, annuities, brokerage accounts, and dividends.
2. Form a clear understanding of both fixed and variable expenses, such as rent/mortgage, utilities, food, medicine, health insurance, clothing, entertainment, and other related costs.
3. Using the information you have gathered, update or create a monthly household budget to effectively manage finances.
4. Having an inventory of all possessions can be helpful. If you aren't sure of the values of items, consider hiring a professional appraiser to gain a better understanding of potential values.

Keep an eye out for any mistakes in financial accounts or any mishandling of credit cards. These could potentially indicate



“To care for those who once cared for us is one of life’s greatest honors.”

- Tia Walker



early signs of cognitive impairment. It is unfortunate that scammers often target senior citizens, so it is important to remind your loved one to exercise caution when sharing personal information, particularly over the phone or online. To significantly decrease the risk of identity theft, you may want to consider placing a “security freeze” on credit cards. This can be done by reaching out to the three main credit reporting agencies: Equifax, Experian, and TransUnion.

#### **Investment & Insurance Review**

When it comes to caregiving planning, it’s important to acknowledge that money, investments, and insurance can be sensitive topics. However, it is crucial to openly discuss them in order to create a comprehensive and effective plan. Begin by identifying and reviewing all savings and investment accounts. Next, examine insurance policies, including life, disability, health, and long-term care coverage. It is important to note that a long-term care (LTC) policy can offer significant benefits for your loved one’s medical care and assistance with daily living activities. Some life insurance policies might also include the option for long-term care (LTC) benefits. It is advisable to carefully review these contracts and seek the guidance of a trusted financial professional who can assist in navigating the intricacies of the policy.

To ensure a smooth distribution of your loved one’s assets, it is important to verify that their financial insurance accounts are registered in their names with the appropriate legal title. Additionally, make sure that the beneficiaries and contingent beneficiaries are correctly listed for each account, including insurance policies, annuities, pensions, investment/retirement accounts, and bank accounts. By ensuring accuracy in these details, even with a well-established estate plan, it will be much simpler to honor your loved one’s wishes when distributing their assets.

#### **Estate Planning Review**

Every individual, regardless of their financial status or ownership of assets, possesses an estate. This encompasses everything they own, ranging from financial accounts to furniture. The purpose of an estate plan is to ensure that upon the individual’s passing, their possessions are distributed according to their wishes as outlined in a will or a living trust. Additionally, an estate plan should include provisions for naming a guardian and inheritance manager for any minor children, along with instructions for their care.

In situations where your loved one is facing serious illness or mental decline, time becomes crucial. It is important to note that the laws regarding these matters differ from state to state. Ensuring that your care recipient has the legal capacity to enter into contracts is essential. To navigate through this process

smoothly, it is highly recommended to seek assistance from professionals who specialize in elder care, estate planning, or elder law. Your financial advisor can offer valuable guidance and connect you with the appropriate specialist.

There are several legal documents and directives that are involved in estate planning. Along with reviewing and updating powers of attorney, healthcare directives/agent, beneficiary designations, and letters of intent mentioned earlier, it is important to consider the question of my existence.

The **last will and testament** is an essential document for any estate, as it offers important legal protection for the well-being of loved ones, assets, and properties. Typically, wills include instructions on how to handle estate affairs, transfer ownership of assets and properties, make decisions about guardianship, as well as express wishes for charitable distributions and gifts, among other important matters. A will must go through the lengthy, difficult, and costly probate process, which is best avoided. The probate process is administered by the county courts, which must validate the will and supervise the process. If a person dies without a valid will, the local court will appoint an administrator to distribute the estate according to the law of descendency of the state of residence. It is recommended that you speak with a professional about estate planning strategies that will avoid a probate process.

A **revocable living trust** is an important component of estate planning. It allows for the effective management of assets while the person is still alive. After the person passes away, the trust becomes irrevocable, meaning that the trustee must manage the assets according to the trust’s instructions. Revocable living trusts are often recommended by financial advisors for a smooth estate transition.

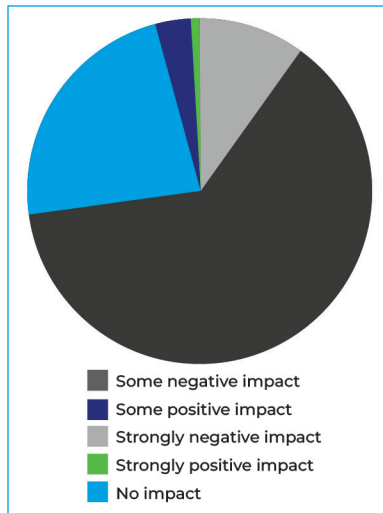
### **THE IMPORTANCE OF SELF-CARE FOR CAREGIVERS**

Taking care of oneself and seeking professional assistance for personal financial, legal, and professional matters is of utmost importance for caregivers. According to a Gallup-Healthway survey, caregivers typically spend a significant amount of time related to various tasks. This includes approximately:

- 13 days per month on activities such as shopping, housekeeping, and managing medicine and prescriptions.
- Six days per month providing assistance with feeding, dressing, grooming, walking, bathing, and toileting.
- 13 hours per month to researching care services or information on diseases, coordinating physician visits, and managing financial matters.

One unfortunate reality is that many caretakers unexpectedly experience emotions like stress and depression. It's regrettable, but it's important to acknowledge the challenges they face. According to AARP, a staggering 81% of caregivers experienced a worsening of their own depression while providing care. It is crucial to prioritize self-care and maintain good health. Taking the time to engage in regular exercise and ensuring you get enough rest is essential for avoiding physical or mental overwhelm. It's important to prioritize self-care and make these practices a part of your routine.

## HOW CAREERS ARE AFFECTED BY CAREGIVING



Source: Caring.com, Family Caregiving Journey Survey, 2016

Embracing the role of a caretaker can have notable financial considerations for you, your loved ones, and your professional journey. This is especially true if you need to reduce your working hours or even leave your job entirely to take care of your loved one. It is often advised by experts that caretakers should consider working for as long as possible and check if their company offers any family leave benefits. It's worth exploring these options to

ensure a balance between work and caregiving responsibilities. It is also important to note that family caregivers incur an average of \$6,954 in out-of-pocket expenses related to caregiving, as highlighted in a recent study conducted by AARP.

A geriatric care manager, commonly referred to as an elder care manager, can offer a wealth of support and assistance. Typically, these professionals possess extensive knowledge and expertise in specialized fields like gerontology, nursing, psychology, or social work. They specialize in creating comprehensive senior care plans that families and physicians can easily follow. By providing their assistance, they can help alleviate some of the caregiving responsibilities. The support they offer is incredibly important in preventing caregiver burnout and ensuring the well-being of your loved ones. By relying on their assistance, you can help maintain your loved ones' functional ability and greatly improve their overall quality of life. More and more caregivers who have busy schedules or live far away are finding value in the assistance of elder care managers. These professionals provide

expert support and closely monitor their loved ones, helping to ease the burden of caregiving from a distance.

Maintaining open lines of communication among caregivers, care recipients, and family members is crucial in order to alleviate stress and promote a harmonious family environment (refer to the References section for further information).

## FORM YOUR CAREGIVING TEAM

Creating a caregiving plan is a collaborative endeavor that involves various professionals, including eldercare attorneys, financial planners, insurance advisors, and more. It is undeniable that caregiving can be overwhelming and stressful for certain individuals, especially without a well-thought-out plan in place. Therefore, initiating discussions on these matters early on and proactively developing a caregiving plan before any unexpected crisis arises is of utmost importance.

Financial advisors are incredibly helpful in many different ways. They understand that each family's situation is unique, and their expertise and experience enable them to offer valuable guidance on managing wealth and planning for the future. A financial advisor can be of great assistance in making sure that every important aspect is taken care of and that your family's needs are met. Moreover, they can help connect you with the appropriate legal experts, helping to save you valuable time and alleviate the responsibility of developing a caregiving plan on your own.

It's important to remember that many people go through challenging caregiving situations. Illness and aging are natural parts of life that affect us all at some point. You're not alone in facing these circumstances, and there is support available to help you navigate through them. It is important to seek professional assistance when facing such a crisis. It is also crucial not to postpone seeking help, as starting the process sooner will ensure that you and your family are better prepared to handle the challenge.

## REFERENCES FOR CAREGIVERS

### Initiating the Dialogue

Guidance regarding how to start the conversation with your parents about caregiving.

<https://lotsahelpinghands.com/blog/we-need-to-talk/>

### National Council on Aging BenefitsCheckUp®

15 public benefits available if an individual meets the requirements.

<https://benefitscheckup.org/>



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