



THE ABC'S OF CARING FOR A LOVED ONE

by: Tamatha A. Stevens

When confronted with the question of how to best care for a parent or loved one as they age or are faced with a disability, we find it all comes down to your ABCs. “A” what is your authority and what are their assets? “B” what are the governmental benefits available to them and how do you go about receiving them? “C” what is the big picture cost of failing to plan?

Authority

One of the most important planning documents every adult should have is powers of attorney. There are two types of POAs. The first covers financial decisions; the second medical decisions. Many estate planning attorneys draft financial POAs that allow the agent only to place assets into trust. Many statute based POAs that people pull from books, the internet or other forms limit the authority of the power of attorney. The POA that we recommend should be well crafted to provide the named agent the ability (even if with some hurdles) to do all that the person could and reasonably would want done during any period they were unable to manage their affairs. The POA should name successor agents as we don't have a crystal ball to know that the younger healthier person will be able to make decisions when the time comes.

The alternative to POAs is guardianship. In harmonious caring families, guardianship often imposes a significantly higher additional expense, emotions and sometimes undesirable constraints. In contentious families, it is possible the guardianship is a blessing to all despite

the additional costs. Rarely do you need a guardianship if a proper power of attorney is in place.

Assets

After authority, obviously we need to know what resources are you working with. For the individual who is still managing their own affairs, maybe this is completing a comprehensive questionnaire and tucking it away with their important papers. More so than your generation, we see your parents' generation with scattered assets and no trusted advisors with a complete picture. When you need to start helping them at a time of crisis or death, they may not be able to assist you. You should have either talked with them to know the answers or know where or who to go to for the complete picture. The complete picture must include all sources of income and assets including, for

example, life insurance, prepaid burial, burial plots, CDs, bonds, deferred investments and supplemental health insurance, disability insurance, mortgage insurance and the very important long-term care insurance.

Benefits

Once you have authority and know their assets, we are ready to consider benefits. We start with Social Security – there are a number of options to Social Security if a person drew benefits early, is disabled and considering drawing early, if they were disabled before age 22, or if they had ever in any of their marriages been married longer than 10 years. We move next to Veterans Ben-

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efits. One of our oldest and best supported benefits is for veterans – those men and women who served our country either stateside or abroad in any federally activated branch of our military during a time of war despite any war injuries. For our veteran, these benefits are broad and extremely beneficial. To our widows of veterans, those individuals married to a veteran at the time of the veteran's death and who have not remarried, the benefits are not as broad but they can still be to the tune of \$12,000 annually. Next would be Medicaid – originally started as a poverty health care initiative but today covering long-term care arrangements for many individuals unable to afford the ongoing cost of their care. We should also mention disability, Medicare, and long-term care insurance may have benefits that need to be considered while planning for the care of your parents or loved ones.

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Cost of Failure to Plan

No one likes to plan for death, but we tell clients it is the most loving thing you can do. I have been told by well respected sources that people spend 25% more on burial arranged at a time of death than they do in pre-planning.

We see more and more caregiver spouses or caregiver children who die before the person they are caring for. Good planning can protect assets and provide a care plan for the surviving loved one. Disinheriting a loved one is very rarely the best planning idea.

Planning can further avoid probate, save or minimize the Federal Estate Tax scheduled to come back next year with a \$1,000,000 exemption and 45% tax rate, Indiana Inheritance Tax with a \$100,000 immediate family exemption and tax rates staged from 3% - 10%, control assets for intended purpose, and finally can provide for fulfillment of wishes.

In summary, in caring for your parents, yourself, your spouse, your children or any other loved one, you and your lawyer must know your ABCS to provide the best care to your loved one. If done at a time of crisis, you will severely limit your best care as your focus will be divided between the other pressing decision of the emergency and the planning.



Tamatha A. Stevens After an award-winning performance in law school, followed by a more than a decade of experience in other law firms and corporations, Tamatha Stevens set out to establish something completely different. Now STEVENS & ASSOCIATES, PC - with focus in the areas of Estate, Elder and Family Corporate Law - offers families and businesses a personalized, caring law practice that emphasizes relationships, integrity and understanding. As President and founder of STEVENS & ASSOCIATES, PC, Tammy will provide you with the legal expertise you expect, and the Legal Care you deserve.

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