

MORE FINANCIAL PLANNING TALK

By Donna Deos

Last month we discussed long range financial considerations and reverse mortgages. This month I would like to continue to talk about seniors and potential financial issues that I have seen folks encounter. The goal is to shed some light for you on things that may slip your radar so you are better informed.

Again, I am not a financial professional, so you should seek out your own professional financial expert to help you with your financial plan.

Let's talk about who does the financials, who would do them if that person is out of the picture and other things that can and do come up.

First, who does the financials in your family situation? Why do I ask this? Well, because more than once in my professional career helping seniors I have come across the lovely widow who has absolutely no concept of how much money she has, what things are worth and where they are all kept, much less who she should talk to about it. Why? Because her husband always did that – yikes! I know. Taking care of your family is wonderful, but not teaching them about the financial picture or at the very least who to call to fill you in on it someday is not a good plan of action.

I realize this is the exception rather than the rule as many women can be the one who keep the family finances in check. However, the same could happen in reverse – she could have it all under control and he could have no clue.

Also, the financial person could be the last one to pass and the kids could have no idea what the parents had and where they keep it. They could also have no concept of true antiques and family heirlooms unless you have educated them on them.

Okay, so, each of you should at least have a bit of an idea, or one of your adult children who does and can help out should the need arise.

Then, we move on to who is to be in charge of finances when the primary person is out of the picture? Again, I ask this because it does happen. We all think we're invincible and don't need to plan for what if's, until we experience one or see how things go horribly wrong for others who fail to plan. So, what you need to do is look into getting your Financial Power of Attorney documents in place. You need to go and see your attorney for this one. While you are at it, you may do yourself and your family a better service to have a trust drawn up at that time as well, but I leave that up to you to discuss with your attorney. Don't have a good elder law attorney? Call Ben Kiniry. You've read his articles in the Bow Times as well so you know he knows his stuff. Plus he knows another famous Bow Elder Law Attorney, John La-



boe. With the two of them you can't go wrong!

The purpose of these documents is to spell out who will be responsible for what when the time comes. If the time does not come then no harm, no foul. I'm going to leave the legal stuff here as I am not an attorney and this is not legal advice. That's what you have them for.

Here's a little story about a Financial Power of Attorney (POA). We had the papers drawn up. Mom was reluctant to relinquish power, of course. I really didn't want it anyway, but I was the local option and when you're doing financial stuff that can be your best bet. We put the documents in place, put me on one of her checking accounts for "just in case" and then she had her near fatal car accident and was out of commission for two months!

The bills don't stop coming in when you are unable to function coherently. Things still need to be paid and someone has to be able to do it. Fortunately, I was legally able to write checks on that account and keep things going for her during that time. We didn't even have to invoke the POA, but we could have if we needed to because we had the document in place. Later on she willingly gave me the POA as her abilities diminished more and she was able to let go of things in order to put what energy she did have toward quality of life versus redundant, necessary tasks. Moral of the story, put it in place and then hope you never need it!

So, what other things can come up? Well, you know when you go to the store and they offer you 15% off if you sign up for their store charge card? And you say yes because you really love to save money so why not?! Then, you forget about that card, put it in a drawer somewhere and move on with your life. You now have an open line of credit on your credit report. This can be no big deal, or it can be one more thing that can add up. What happens when that bill comes in, you forget you have the card, think it's wrong or a scam and you don't pay it? You start throwing out the stuff that comes from them every time it comes in so before long you now have a blemish on your credit. All



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because of one little act of saving money that you pushed out of your brain and forgot about.

Sometimes as people age and dementia and other age related memory issues creep in lots of things can go awry. Memory issues are particularly tricky in that most people who have them are in denial about it. They don't realize what they are forgetting or that they are forgetting so they are offended by people who bring it up.

The best thing that anyone with a memory impairment diagnosis can do is go see that attorney and get your documents in place as soon as that diagnosis comes in. You will need someone to help you down the road, like it or not, believe it or not. The sooner you talk with your designated person about it and share with them what you like and why, the better you will feel and so will they. They need to know how and why you like things done a certain way so they can perform their duties along those guidelines. Also, they need to know what you have and where you keep it so someday they can fill in for you when you need them to.

This brings me to life insurance policies. Do you know how many old and expired life insurance policies I have cleaned out of my house?! Each time getting a glimmer of hope that maybe this one is still in force and maybe we have a little goldmine coming our way after all? One of the adult children's biggest nightmares (and the insurance company's biggest desires) is not finding the insurance policy that is in force! You need to be able to turn in the policy, or at the very least, know what company to call to get that ball rolling. If you

have old, expired policies, you can get rid of those – or write on them that they are old and expired, with a date preferably. Keep all of the good ones in a safe place, like your safe deposit box or physical safe in your home, and be sure the key person helping with your estate knows where they are. They can't help you or your loved ones if they can't get their hands on the items they need.

One final tip on the financial and estate related stuff. You need to have someone who knows your passwords to things, combinations and where keys and such are located. Yes, it needs to be someone you can trust, but someone needs to know. I have heard many stories of folks desperately trying to open a family safe but they don't know the combination. Even worse, I have heard of people having those same safe's drilled open only to find that there was nothing of importance in them. Big money to drill them and then big disappointment afterward!

In my own home I found many an important document in and amongst what others would have considered junk. Please be organized if you are able. If you are not able, there are people you can hire to help with that. In the long run it will be a gift to you and your loved ones. You don't want them accidentally throwing away the keys to the safe, safe deposit box or the life insurance policy that would have saved the day because you had them cleverly hidden in a flower pot or box of junk! I hope you found these little tid-bits helpful and are now motivated to have the conversations, start cleaning out and get organized. If there's anything I can do to help, just let me know.



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