

WEALTH PLANNING BLOG

Planning Prevents Burdening

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March is here, and even with Winter Storm Titan presently passing overhead, March still makes me think of spring and gets me in the mood for spring cleaning. As I was packing up clothes our little one has grown out of and separating stuff to donate, I began to reflect on the past week at work and how most of my meetings involved people whose personal/financial worlds could use some spring cleaning of their own.

I met with four different families this week with four different sets of needs, but they all shared something in common. During all four meetings I learned that not a single one of them had power of attorney documents in place, and 3/4 of them were presently dealing with guardianships in one way or another! Although I am used to people coming in to get these types of documents in place, I could not believe that some of them were so unhappy with the guardianships they were having to deal with, yet they still did not have powers of attorney of their own. This makes no sense. Or does it?

Reflecting on each meeting, I began to understand that they all had something else in common. None of them had any estate planning in place. So, even with the guardianship experiences, they were missing the big picture that the powers of attorney were the alternatives. Or, maybe I was missing the big picture that this isn't common knowledge.

A power of attorney for healthcare/health care directive is a document whereby you name an agent (and successor agents) to act on your behalf in the event that you become incapacitated with respect to your medical decisions. The agent has access to your doctors and medical records, and has the authority to make all of your custody, care and medical decisions during the time you're incapacitated. This document dispenses with the need for a court supervised, often costly and burdensome, guardianship (MO) or guardianship of the person (IL).

Similarly, a power of attorney for property/financial power of attorney is a document whereby you name an agent (and successor agents) to act on your behalf in the event you become incapacitated with regard to your financial decisions. The agent is granted access to any information they would need to be able to keep your financial world status quo. They can pay your bills, access your bank accounts, pay for services on your behalf, transfer assets to your trust, make gifts, etc. This document replaces the need for a very cumbersome, court supervised process called a conservatorship (MO) or guardianship of the estate (IL).

Both of these documents alleviate cost and burden on family members if you are ever unable to carry out these jobs on your own. So don't wait until it's too late, and add estate planning to your spring cleaning list!

Oh, and who needs these documents you ask? Every adult aged 18 and up! So get your college kids taken care of too. That's right, the only authority you have left over them is fear driven :)