

# Navigating the Delicate Path of Estate Planning with Elderly Parents

Estate planning is one of the most crucial discussions with our elderly parents. Early planning — before your parents are too old or ill — can be comforting for both the parents and their children. It's important to remember that it's also an act of love and responsibility, not just a financial task. Planning ahead ensures their wishes are honored and can reassure you (and your siblings, if you have them). To navigate this process, a thoughtful and well-prepared approach is essential.

## Prepare!

This shouldn't be a conversation that's sprung unexpectedly. Try introducing the topic naturally and sensitively, considering parents' mindset and emotional state. Before diving into the discussion, planning how to structure the discussion is important. You can start by listing the topics and questions you wish to cover. It's good to tell your parents in advance about your desire to discuss estate planning and then set a time and place where everyone feels comfortable and at ease. Recognize and communicate that you know this might not be a one-time conversation; several sessions may be necessary to cover all aspects thoroughly.

## Involve Key Advisors

Estate planning is a multi-faceted process, often requiring the input of various professionals. These can include doctors, attorneys, financial planners, accountants, and insurance brokers — and "experts" can include close friends — even ministers of religion. Each plays a vital role in understanding and developing an estate plan that reflects your parents' values and beliefs. Start by asking your parents for the contact details and their opinions on the value of each of these individuals, as their insights will be invaluable in creating a comprehensive plan. This also ensures that they understand that it's a whole network of people working to help.

## Review Existing Legal Documents

An important step is to ascertain — or confirm — whether your parents already have a will or any estate planning documents. If such documents exist, make sure they are up-to-date and relevant. Wills or trusts created more than five years ago may need a review to reflect any changes in circumstances or wishes. It's also vital to know where these documents are kept and who is appointed executor or trustee. Besides the legal document, some elderly people want to create a "letter of intent," which lays out what they mean and want with their decisions.

## Powers of Attorney

Understanding if your parents have appointed a Power of Attorney (POA) is crucial in ensuring their affairs are managed when they cannot do so themselves. This responsibility often falls to one of the children, creating unique challenges and dynamics within the family, especially when there are multiple siblings. There are a few types of Power of Attorney:

- **Financial Power of Attorney:** Entrusted with managing financial affairs, from banking transactions to investment decisions.
- **Healthcare Power of Attorney:** Responsible for making healthcare decisions when your parents are incapacitated.
- **Durable Power of Attorney:** Retains validity even after the parents are incapacitated, covering financial and healthcare decisions.
- **Springing Power of Attorney:** Activated under specific conditions, such as the principal's incapacitation.

## Navigating Sibling Dynamics

When one child is designated as the POA, it's imperative to maintain open communication with other siblings to foster transparency and trust. This role can sometimes lead to tension due to perceived imbalances in control or influence over the parents' affairs. Here are strategies to mitigate such complications:

- **Clear communication:** The appointed POA should regularly update all family members on the parents' situation, decisions taken, and actions performed on their behalf. This openness can prevent misunderstandings and suspicions.
- **Document sharing:** Sharing important documents or decision-making rationales can help ensure everyone is on the same page and that the POA's actions are seen as objective and, in the parents', best interest.
- **Inclusive decision-making:** While the POA has the legal authority to make decisions, involving siblings can help unify the family and avoid conflicts. Seeking input on significant choices can foster a sense of unity and shared purpose.
- **Mediation and counseling:** In cases where conflicts arise, family mediation or counseling can be valuable in addressing grievances and finding a way forward that respects the parents' wishes and maintains family harmony.
- **Legal clarity:** It may be beneficial to consult with an attorney to understand the boundaries and responsibilities of the POA clearly. This can help all siblings understand the legal framework within the POA operates.

## Address End-of-Life Wishes

Although this can be a tough subject, discussing end-of-life care and wishes — their directives — is essential. Your estate plan will not be complete without them. The form those directives take depends on the state in which you live, and may include:

- Healthcare proxies: Someone who can make medical decisions for your parents if they can't make those decisions for themselves. Forms are available from elder law attorneys and also at hospitals or nursing homes.
- Medical (or advance) directives: These outline what kind of care they want. These should be in the document that assigns the proxy.
- Living will: This addresses what to do regarding the withdrawal or termination of life support and under which conditions.
- POLST (Physician Orders for Life-Sustaining Treatment) forms. Such directives must comply with HIPAA and detail preferences for life support and other critical care decisions.

## Understand Insurance Coverage

Insurance is a significant part of estate planning, since it determines whether our elders spend their end-of-life time at home or in a facility. It's important to understand the details of your parents' insurance policies, including health, life, home, long-term care, and disability insurance. There may be specific policies for funeral or burial expenses in some cases. Document the details of these policies, ensuring you know where they are stored and have access to them if needed.

## Get Access to Financial Documents

Knowing where your parents' tax returns are, as well as all financial documents and account information are stored, is also crucial. These documents may become necessary if the estate is complicated or if there are outstanding tax obligations.

## Be Practical

Beyond legal documents and insurance policies, there are other practicalities to consider. Discuss financial accounts, organ donation preferences, and memorial service wishes. Whether your parents prefer burial, cremation, or another option, understanding their desires is important for thorough estate planning.

## Be Strong, Kind and Patient — and an Advocate for Their Legacy

Once all the legal expertise and paperwork is out of the way, it's a good time to ask your parents what they want their legacy to be. Do they want to be a known benefactor of a charity? What is important to them, beyond beloved family and their "belongings"? As a child of aging parents, you can become a steward of your family legacy, helping continue any work your parents have done, contributions they have made, and reputations they have built.

As you engage in estate planning with elderly parents, it's crucial to approach these discussions with a clear head and a steady heart. Patience, respect, and clarity are key. It's a practical step to ensure your parents' wishes are followed and a necessary one to avoid future complications. Make sure to include your siblings and family members in the discussions for a transparent and complete process. Estate planning is not just about dividing assets; it's about honoring your parents' legacy.

We hope that these considerations for navigating an important milestone in your life (and your parents') has helped you understand your next steps. If you're interested in exploring how a financial advisor can help, reach out to a Choreo advisor.

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