

How to Address Eldercare Issues

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Gradually, the roles of parents and children change, especially if one or more of the parents have health problems. This can raise sensitive legal and financial problems.

For example, an elderly parent may no longer be competent to handle his or her affairs. You might ignore the situation and hope it goes away, but that is not a realistic approach.

Instead, it is generally better to discuss “eldercare planning” frankly and openly with your parents long before the need is immanent. Include siblings and anyone else who should be involved. Here are four practical suggestions:

1. Take it slowly. It is usually not necessary to cover everything in one or two sittings (unless the parties live relatively far apart). Build from one meeting to the next. In most cases, your relationship will not change overnight, but rather over the course of several years.

2. Be gentle. If you hit your parents with a barrage of information, they may be overwhelmed. Instead of opening up, the lines of communication can close. You might start by showing your parents a relevant clipping from a newspaper or magazine. If you give them time to talk with friends, they will find out that there are others in the same position. That may soften their resistance to these changes.

3. Emphasize that you have your parents’ best interests at heart. If they are like most elderly people, they will want to maintain their independence for as long as they can. You may be able to provide some options that allow them to keep a degree of control over their lives and finances.

4. Ask the critical questions. Then you can begin to plot a course of action. Some typical questions are:

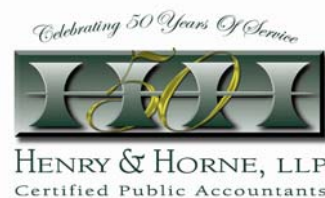
- Do you have a will, power of attorney, living will or similar document? Where is it located? Have you prepared a letter of instructions?
- Do you have life insurance and disability insurance policies? Who are the insurers, and how much are the policies for?
- Are you covered by a pension plan or other retirement plan? What about IRAs? Who maintains them, and what is their value? Who are the beneficiaries?

- Do you receive Social Security benefits? How much? Are those benefits directly deposited into your bank account?
- Are you receiving income from other sources, such as annuities, stocks and bonds, and certificates of deposit (CDs)? What are they, and how much income do they earn?
- What are your real estate investments? Is any property owned as a “life estate” where ownership of the property ends at death?
- Do you have any other assets? What is their value, and where are they located? How about bank accounts and safe deposit boxes?
- *Have you already transferred some of your assets? To whom did you give them and how much did you give?

Try to develop a plan that satisfies the main objectives while taking all the factors into account. For example, you may be able to protect your parents from the exorbitant cost of nursing home stays by having them transfer assets to a Medicaid trust within the proper time period.

Contact your Henry & Horne professional before taking any action in this area. We can refer you to an attorney that specializes in such planning.

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