
BLUE  ROCK | WHITE
ADVISORS PAPER

Parents, Alzheimer's & Money

PARENTS, ALZHEIMER'S & MONEY

Easing into a difficult conversation.

Presented by Blue Rock Advisors

Every eighth American aged 65 and older has Alzheimer's disease, and 43% of Americans aged 85 and older have it, according to the Alzheimer's Association. Consider those percentages in light of the Social Security Administration's estimate that about 25% of today's 65-year-olds will live past age 90. These shocking statistics have serious implications for family wealth.^{1,2}

Your choices. What are your options when it comes to helping a parent out with money management? Informally, you can "lend a helping hand" and check in with mom and dad to make sure that bills and premiums are paid, and deadlines are met. But if you elect to formally take the financial reins, you are looking at a two-phase process:

*** *You can get a power of attorney and assume some of the financial responsibilities.*** A power of attorney is a detailed and strictly constructed legal document that gives you explicitly stated measures of financial authority. If you try to handle financial matters for your parent(s) without a valid power of attorney, the financial institution involved may reject your efforts.³

A *durable* power of attorney lets you handle the financial matters of another person immediately. The alternative - a *springing* power of attorney - only takes effect when a medical diagnosis confirms that person's mental incompetence. Copies of the power of attorney should be sent to any financial institution at which your parents have accounts or policies. It may be wise to get a durable power of attorney *before* your parent is unable to make financial decisions; many investment firms require the original account owner to sign a form to allow another party access to an account owner's invested assets.⁴

You are going to have to hunt for information, such as...

- Where mom or dad's income comes from (SSI, pensions, investments, etc.)
- Where the wills, deeds and trust documents are located.
- Who the designated beneficiaries are on insurance policies, IRAs, etc.
- Who the members of mom or dad's financial team or circle are. You need to talk with them; they need to talk with you.
- The crucial numbers: checking and savings accounts, investment accounts, insurance policies, PIN numbers and of course Social Security numbers.
- It will also help to learn about their medical history and prescriptions.

If the disease progresses to the point where your mom or dad can't make competent financial decisions, then you are looking at a conservatorship. In that case...

****You can act to become your mom or dad's conservator.*** This means going to probate court. You or your parent can initiate a request for conservatorship with a family law attorney; if the need is more immediate, you or your family's attorney may petition the court. In either case, you will need to show documentation that your parent is no longer financially competent. You must provide medical documentation of his or her dementia to the court as well.

The court will interview the involved parties, look at the documentation and perform a background check on the proposed conservator. This is all pursuant to a hearing at which the court presents its decision. If conservatorship is granted, the conservator assumes control of some or all of the protected party's income and assets.⁵

How do conservatorships differ from guardianships? A guardianship gives a guardian control over many aspects of a protected person's life. A conservatorship limits control to the management of the protected person's assets and financial affairs.⁵

What if I don't want to assume this kind of responsibility? Some wealth management firms offer daily money management as an option in a "family office" suite of services. The firms make home visits to help with bill paying, filing medical claims and other recurring tasks; carefully scrutinize anyone offering this service. (Visit aadmm.com for the American Association of Daily Money Managers.)⁶

The other choice is to give a relative, a financial services professional, or a family lawyer durable or springing power of attorney or limited or full conservatorship. Such a decision must not be made lightly.

Keep your parents away from unprincipled people. These steps may prove essential, yet they will not shield your family from scam artists. Be on the lookout for new friends and acquaintances. If your instincts tell you something is wrong, investigate.

**Blue Rock Advisors may be reached at (336) 723-1220 or info@mybluerockadvisors.com.
www.mybluerockadvisors.com**

This material was prepared by MarketingLibrary.Net Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. Marketing Library.Net Inc. is not affiliated with any broker or brokerage firm that may be providing this information to you. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is not a solicitation or a recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

- 1 - www.alz.org/downloads/facts_figures_2011.pdf [2011]
- 2 - money.usnews.com/money/blogs/planning-to-retire/2010/07/22/predicting-your-own-life-expectancy [7/22/12]
- 3 - www.law-business.com/powers-of-attorney [4/27/12]
- 4 - <http://www.kiplinger.com/magazine/archives/managing-your-parents-money.html> [4/27/12]
- 5 - dhs.sd.gov/gdn/guardianshipfaqs.aspx [6/2/12]
- 6 - www.smartmoney.com/retirement/planning/talking-to-mom-about-alzheimers-and-her-money-1335192298522/ [5/7/12]