

# Taking Care

## How Caregivers Can Tackle Financial Planning in the Face of Dementia and Alzheimer's Disease

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*In addition to the physical and emotional challenges of caring for someone with dementia or Alzheimer's disease, caregivers face unique practical challenges that result from managing a loved one's financial, legal and healthcare affairs. April's Wealth Management Insights shares tips on how caregivers can approach these important financial planning responsibilities.*

### What you should know:

#### 1. Start planning discussions early.

- Set aside time to talk with your loved one about their values and wishes when it comes to managing their care and their property. The sooner the planning process begins, the more involved they will be able to be.
- Talk with your loved one about where and how they want to live as their condition progresses. Medicare will pay for hospice care for those nearing the end of life, but not necessarily for those in early stages of dementia. Keep this in mind when looking at care facilities.
- If your loved one is willing and able to do so, work with them to secure official permission to

access their personal information from doctors, hospitals, insurance companies, utility providers and/or banks. Durable powers of attorney for financial matters and healthcare are established by an estate planning attorney, and will enable you to help loved ones while they're still able to manage their own finances and when they need additional help.

#### 2. Make crucial legal arrangements before your loved one's condition progresses.

- Many caregivers worry there will come a time when their loved ones can no longer make their own financial decisions. One tool to help reduce confusion and mismanagement should that time ►

come is a power of attorney. This legal document allows someone to designate a trusted individual to act as their agent in certain matters. It can be effective immediately or become effective when they can no longer act for themselves.

- However, powers of attorney can only be granted when the principal has “legal capacity” – the ability to understand and appreciate the consequences of their actions. Be sure powers of attorney clearly state which powers are being granted and whether the document is “durable,” or remains in effect if your loved one becomes incapacitated.
- “Advanced directives” formalize a person’s wishes for medical care after they are no longer able to make those decisions. Durable powers of attorney for healthcare identify an agent to make medical decisions on behalf of another person. Living wills specify an individual’s wishes for treatment under certain circumstances, such as permanent unconsciousness or terminal illness. Be sure to use forms recognized in the state where your loved one will receive care.

### **3. Collaborate with your loved one’s professional advisors.**

- Develop a relationship with your loved one’s financial professional(s). They may be able to help facilitate financial discussions and share financial planning insight specific to your state, which can help alleviate some of the pressure associated with managing your loved one’s finances.
- Consult an elder care attorney for help finalizing key documents before your loved one’s condition progresses. They can also help determine what level of legal capacity is required for your loved one to sign specific documents.
- If possible, accompany your loved one to appointments with doctors and other caregivers. You’ll be able to provide support and help listen.

#### **What you should do now:**

Financial matters can feel like a secondary consideration when you’re providing vital care to a loved one impacted by Alzheimer’s or dementia. A Baird Financial Advisor can help you develop a plan that honors your loved one’s wishes and enables you to provide the level of care they deserve. ■