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## Providing Care for Your Elderly Parents

### Today's reality.

Individuals are living much longer lives now than they have in the past. Statistically, in the United States the median life expectancy of a 65-year-old man and woman is 85 and 88, respectively. Keep in mind that this expectation is the "median." Half of the population is expected to live longer, and nowadays could potentially experience more than 30 years of retirement.

With longevity comes increased healthcare and nursing care costs. According to the Administration on Aging, 70% of people turning 65 can expect to need some form of long-term care during their lives. Additionally, on average women require care for 3.7 years and men for 2.2 years.

What does all of this mean for you and your elderly relative? It means that now more than ever, you must carefully prepare for this phase of life. When private nursing care is financially not an option, you may become your loved one's primary caregiver.

And you are not alone. Nearly one third of all American households are caring for their elderly parents.

### Know your options.

Whether you are currently caring for an elder or anticipating future care, it is essential that you recognize all of your options. Several federal, state, and local profit and non-profit organizations exist for the sole purpose of assisting with eldercare. They will provide or direct you to information, resources, and services available in your community. Visit the Eldercare Locator at [www.eldercare.gov](http://www.eldercare.gov) for more information.

It is equally, and possibly more important, to comprehend the limits of certain social programs, insurance policies, and community services. For example:

- Medicare: Generally, does not pay for long-term care. Will only pay for medically necessary skilled nursing facilities or home health care, with limits, and for short periods of time.
- Medicaid: To qualify you must exhaust the majority of your assets. Long-term care provided is limited and inflexible.
- LTC Insurance: Long-term care insurance policies can be very expensive. Only a few highly-rated insurance providers offer coverage. Coverage has limits. (e.g., elimination period, no inflation adjustment, maximum daily benefit, cap on years of benefits)



# Simplifying Life by Creating Wealth Solutions through Understanding.

## Median

Value or quantity that falls halfway between the highest and the lowest.

## Will

Written document by which a person directs how his or her assets are to be distributed at death.

## Trust

Legal entity created by a party (grantor) through which a second party (trustee) has the right and responsibility of managing assets for a third party (beneficiary).

## Durable Power of Attorney

A document often used in estate planning where an individual designates another person to act on his or her behalf in the event of incapacitation.

## Healthcare Power of Attorney

Legal authorization for one person to represent another person's wishes regarding medical treatment.

## Baby Boomer

People born in the United States between the end of World War II (1945) and the late 1960s.

## Get organized.

Ideally, a discussion regarding your loved one's long-term care should occur before the care is needed. Prior to including the elder in this delicate conversation, those individuals willing to provide this support should sit down and define roles and expectations. These caregivers will likely include the spouse, children, siblings, relatives, friends, and the family physician.

Caregivers will need to have a good understanding of their loved one's financial situation, and the legal documents that are currently in place. They will need information related to:

- Assets: Bank Accounts, Investments, IRAs, Real Estate, Personal Assets
- Liabilities: Mortgage, Auto Loan, Consumer Debt
- Income: Social Security, Pensions, RMDs, Annuities, Rental Income
- Expenses: Non-Discretionary Expenses (e.g., utilities, loans, taxes)
- Insurance: Health, Life, Long-term Care, Medicare, Medicaid
- Will: Review current executor, beneficiaries, and provisions
- Trust: Review current trustees, beneficiaries, and provisions
- POAs: Review or create Durable and Healthcare Powers of Attorney
- Beneficiaries: Review current designations to IRAs, Life Insurance Policies, etc.
- Account Access: Obtain physical and/or online access to accounts, as needed

## Not just about money.

It's about dignity.

In many instances the person needing care is your parent—the person that has cared for you your entire life. It's not always easy for them to admit there's a problem, to understand the complexity of obtaining care, or to ask for and accept help.

Ensuring that your loved one receives the medical and financial support he or she needs is a remarkable accomplishment. However, organizing and providing this care and support while enabling your elder to maintain his or her dignity is the ultimate goal.

Whether it's been through articles I've read, or through speaking with individuals who have provided care in the past or are doing so now, I've noticed several reoccurring pieces of advice.

### Anticipate Needs

*Planning ahead is an absolute luxury. You will have time to understand your loved one's wishes, identify financial resources, and create and update legal documents.*

### Go Slow

*If possible, avoid overwhelming your elder with the "big picture". Begin the conversation with general information and concerns. Then gradually introduce small decisions and changes.*

### Listen Thoughtfully

*Regardless of how strongly you feel about what actions need to be taken, the elder is ultimately the "expert" on their situation. Listen thoughtfully, and ask questions rather than giving orders.*

### Accept Help

*It's important to acknowledge that caregivers need care, too. Accept the help offered by your family, your friends, and your community.*

simplify

www.tristartrust.com

Early baby boomers are approaching their seventies, and our elderly population will only continue to grow. Eldercare planning and services are needed now more than ever. If you have questions regarding options for you or a loved one, please contact your financial advisor at Tri-Star Trust Bank for guidance and referrals to attorneys and other professionals who specialize in this field.