



Legal and Financial planning.

Part 1

Learning Objectives

- Understanding the importance of planning in advance and having the person with dementia voice their desires
- Identify the steps to getting your legal, financial and future care plans in order
- Familiarity with legal issues, care options when diagnosed with dementia

The Importance of Planning Early

Planning early:

- Allows for informed decision making and planning for complex issues
- Allows for people with dementia maximum self-determination and degree of choice
- Avoids difficult consequences of waiting too long

Legal planning goals

- Make plans for health care and long-term care
- Make plans for finances and property
- Designate an individual to make decisions on behalf of the person with dementia when he or she is no longer able

Importance of Planning Early

- Early legal planning is important because:
 - Early planning allows the person with Alzheimer's to be involved and express their wishes for future care and decisions.
 - It eliminates the guesswork for families.
 - It allows the person with Alzheimer's to designate decision makers on their behalf.
 - Allows for time to work through the complex legal and financial issues involved in long-term care.
 - Making arrangements for finances and property.
 - Before a person with Alzheimer's signs a legal document:
 - Discuss the document
 - Ask for medical advice
 - Assess existing legal documents: living will, trust, power of attorney

Legal Capacity

Includes assessment of:

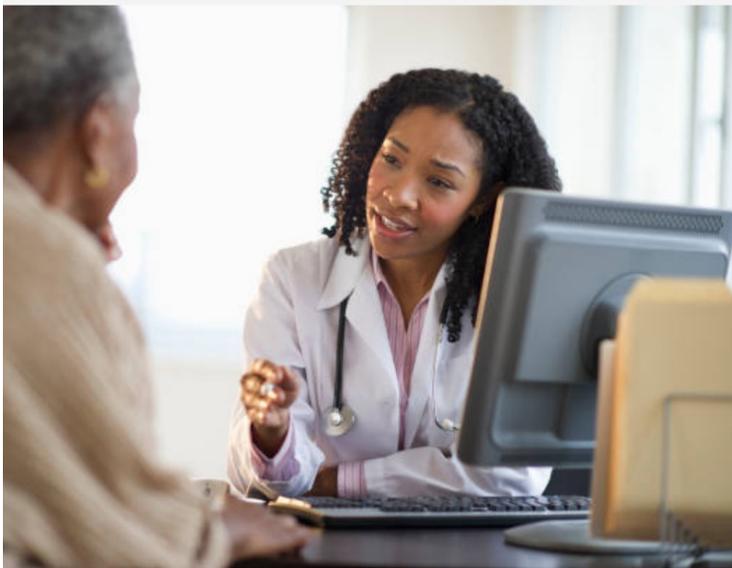
- Judgement
- Decision –making ability
- Is determined by the courts
- Is usually intact during the early stages of the disease



Importance of Updating Legal Documents

See your lawyer early: Elder care lawyer

- Discuss: Options for health care, long-term care decision-making
- Options for managing the individual's personal care and property
- Possible coverage of long-term services provided by Medicare, Medicaid, Veterans benefits and other long-term insurance.



Checklist: What to bring to the lawyer

- Itemized list of assets (bank accounts, contents in safety deposit boxes, vehicles, real estate, etc.) including current value and the names listed as owners, account holders and beneficiaries
 - Copies of all real estate planning documents including wills, trusts and powers of attorney)
 - Copies of real estate deeds
 - Copies of recent income tax returns (7 years; IRS transcripts)
 - Life Insurance policies and cash values of policies
 - Long-term care insurance policies or benefit booklets
 - Health insurance policies and contact numbers of those involved (domestic partners, family members, caregivers, financial planners and/or accountants)
- 
- A large yellow triangle is positioned in the bottom right corner of the slide, pointing towards the top right.



Advance Directives

An **Advance Directive** is a legal document that explains how you want medical decisions about you to be made if you cannot make the decisions yourself. An advance directive lets your health care team and loved ones know what kind of health care you want, or who you want to make decisions for you when you can't.

- **Three types of Advance Directives:** Living Will, Power of Attorney, Health Care Proxy
- Identify preferences about treatment, care and end of life wishes
- Family members and health care providers should have copies of all current advance directives, including:

Durable Power of Attorney for Health Care

Living Will

Durable powers of attorney

- **Durable Power of Attorney** for Health Care is a document whereby a person designates another to be able to make health care decisions if he or she is unable to make those decisions for him- or herself.
- Allow for person with dementia to name another individual to make decisions when needed
- Are lasting
- Should include:
 - Durable Power of Attorney for Health Care
 - Durable Power of Attorney for Finances/Property
- ***Need to be created in accordance with State laws

Living will

A **Living Will** is a written, legal document that spells out medical treatments you would and would not want to be used to keep you alive, as well as your preferences

- States an individual's choices for future medical decisions, such as the use of artificial life support
- Used when a physician decides that the person is :
 - Irreversibly ill
 - Critically injured or near death



Will

A ***Will*** is a legal document that spells out your wishes regarding the care of your children, as well as the distribution of your assets after your death.

- Names the executor and beneficiaries
- Only takes effect when a person dies

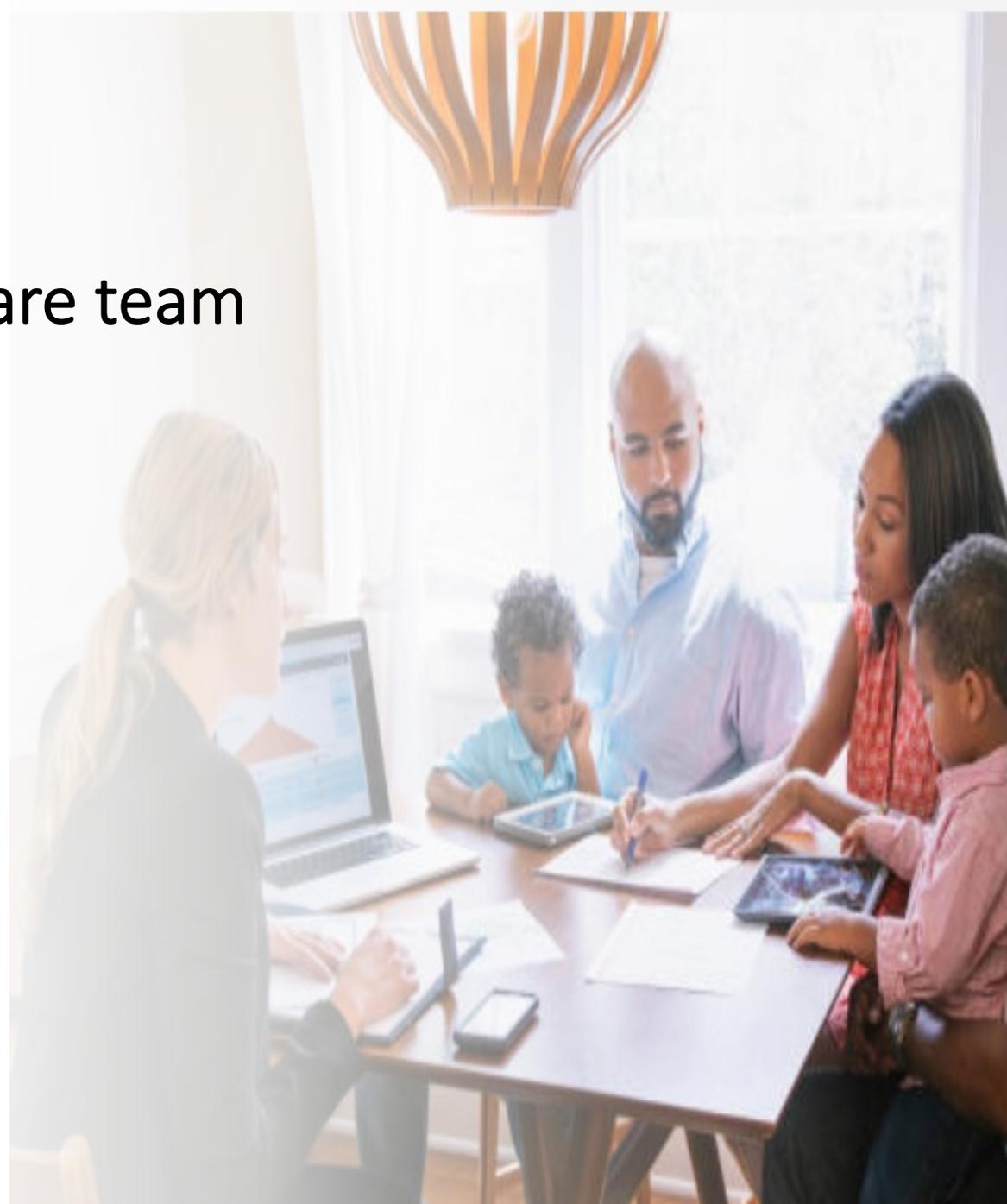
Living trust

A **Living Trust** is a legal document, or trust, created during an individual's lifetime where a designated person, the [trustee](#), is given responsibility for managing that individual's assets for the benefit of the eventual beneficiary.

- Names a trustee
- Provides instructions about how to manage an individual's estate
- Can include a broad range of property
- Helps avoid probate
- Specifies whether a trust will end when the last beneficiary dies or continue to benefit others

Making the Choices as a Care team

- Include the individual with dementia as much as possible
- As needs change, ongoing communications is important
- If there are disagreements, consider:
 - Family meeting
 - Mediation
 - Guardianship



Guardianship

Guardianship, also, referred to as conservatorship, is a legal process, utilized when a person can no longer make or communicate safe or sound decisions about his/her person and/or property or has become susceptible to fraud or undue influence.

- Declared by the court
- Appoints a guardian to assume total responsibility for the individual
- An Alzheimer's disease/dementia alone is not sufficient to obtain guardianship



The importance of legal planning for all couples

- All couples should make legal plans, including those who are not in legally-recognized relationships
- Without legal documents in place, partners may not be allowed to make decisions



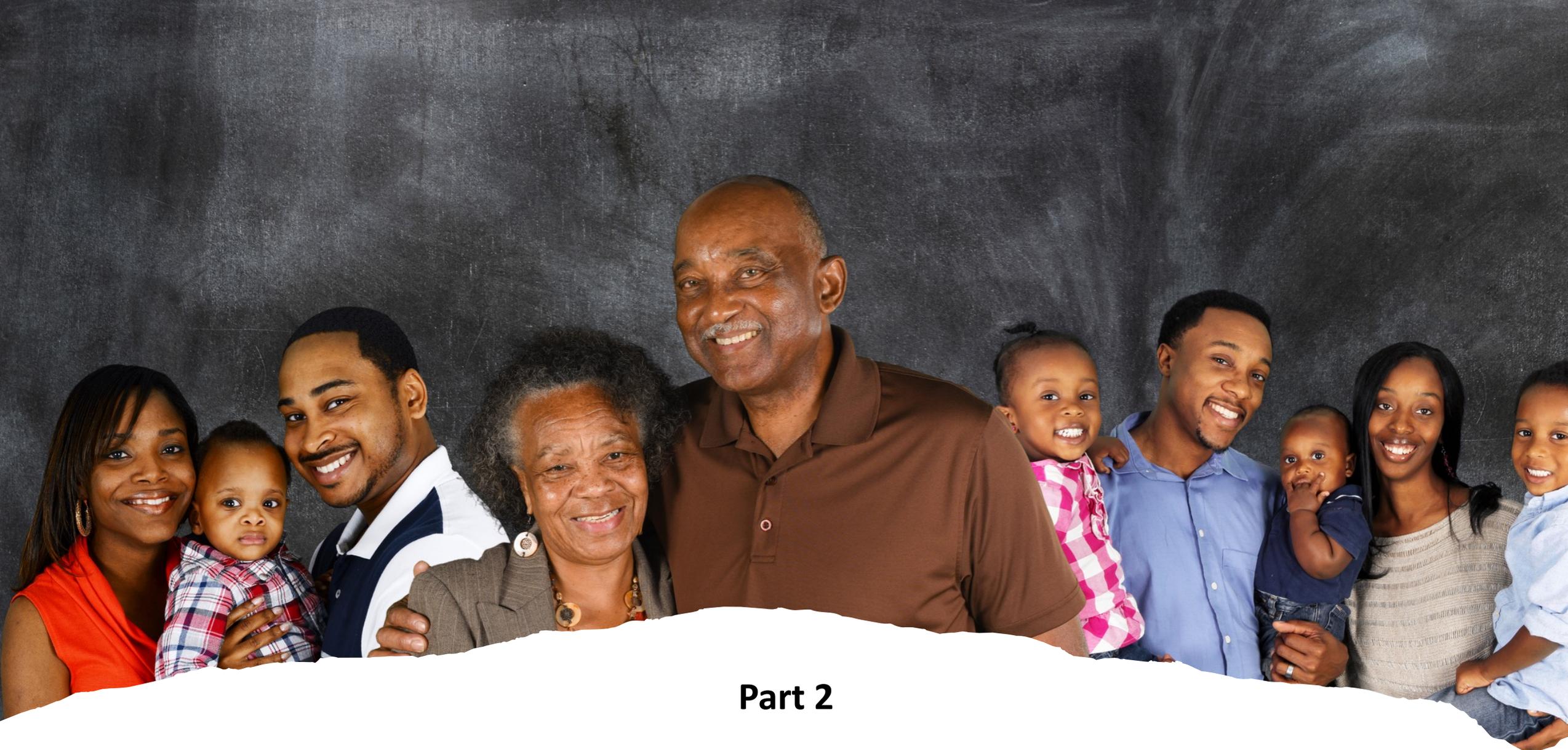
Legal tips for unmarried domestic partners

Popular misconceptions: specified period of living together, an unmarried couple become “common law husband” and “common law wife” and that, the same laws apply to them as if they had actually been married to each other. **This is not the law.**

- Have copies of legal documents easily accessible to both of you
- Bring copies of legal documents when traveling
- Complete a hospital visitation authorization form, if necessary
- Make your wishes and documents known to:
 - Your physician
 - Your family

Steps: For putting legal plans in place

- Gather existing documents.
- Determine which documents need to be updated or created.
- Do it yourself:
 - Online
 - Office supply stores
- Find Assistance:
 - Legal Aid
 - www.lawhelp.org
 - Alzheimer's Association



Part 2

Legal and financial planning

The importance of financial planning



- After a diagnosis of Alzheimer's or other dementia, financial planning often gets pushed aside because of the stress and fear this topic evokes. However, you can reduce stress by planning ahead. Financial stress can be reduced by preparing for care costs.
- Begin putting financial plans in place as soon as possible after a diagnosis to help secure your financial future. In addition to planning for the cost of care, consider ongoing financial duties, such as:
 - » Paying bills. » Arranging for benefit claims. » Making investment decisions. » Preparing tax returns.

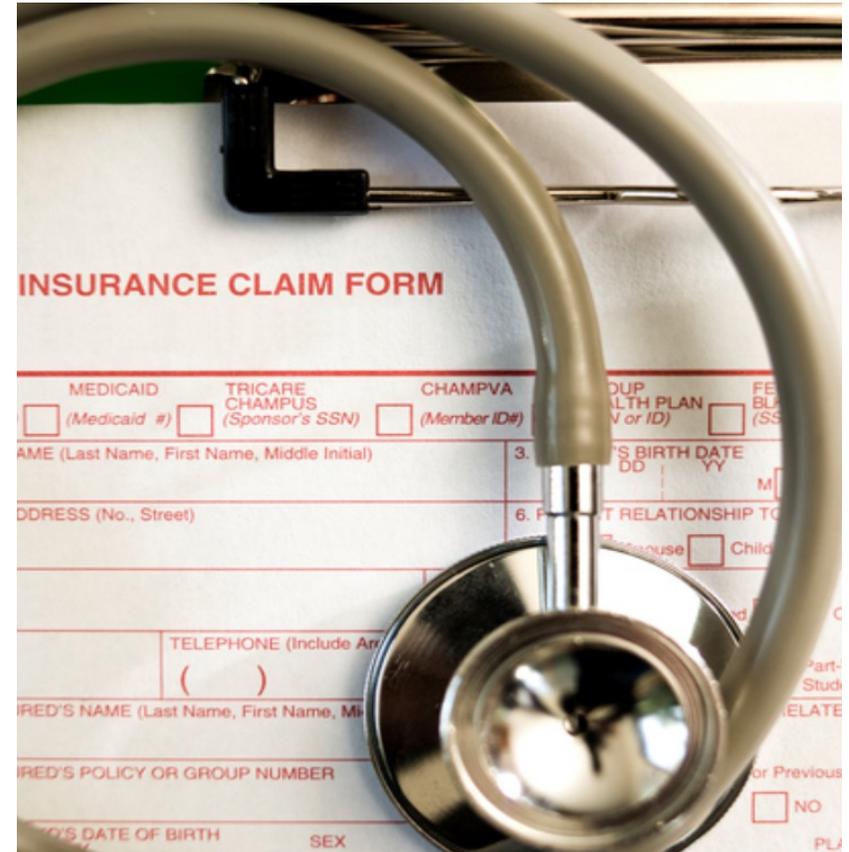


Gather financial and legal documents

- Carefully review all financial and legal documents
- Financial documents include:
 - Bank and brokerage account information.
 - Deeds, mortgage papers or ownership statements.
 - Insurance policies.
 - Monthly or outstanding bills.
 - Pension and retirement benefit summaries.
 - Social Security payment information.
 - Stock and bond certificates.
 - Other sources of monthly income (e.g. rental property, sale of stocks, interest)
- It may also be helpful to identify which necessary documents are not yet in place.

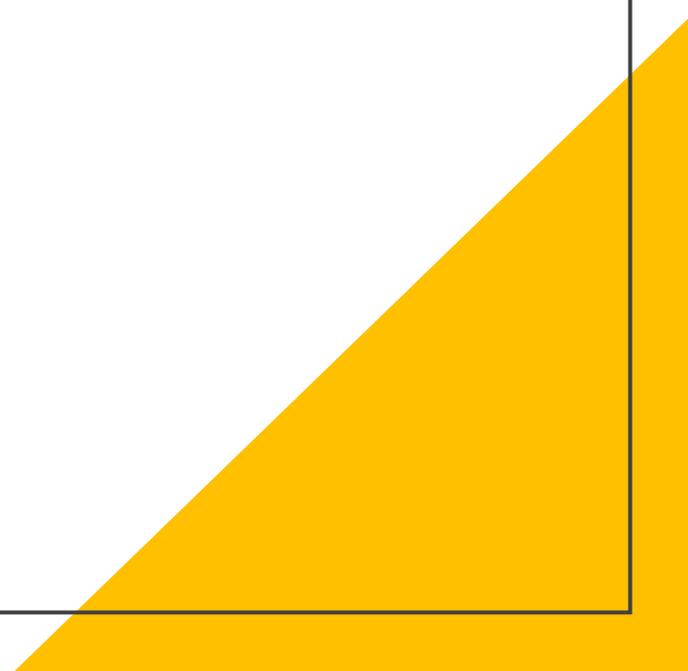
Concerns about Paying for care

- How do we meet our current expenses?
- What is the highest level of care that may be required?
- What is the lowest level of care that may be required?
- Do we have financial resources now that can cover the levels of care?
- What are the additional resources that we may need?



Your personal resources

Paying for the care of a loved one with Alzheimer's disease always needs to be considered. First consider your personal resources:

- Income from employment
 - Retirement plan
 - Savings and assets
 - Reverse mortgages
 - Long-term care insurance
 - Veteran medical care
- 
- A large yellow triangle is positioned in the bottom right corner of the slide, pointing towards the top right.

Reverse mortgages

Designed to help those 62 years and older convert equity in their home into income:

Pros:

- Social Security and Medicare benefits not affected
- No income requirements or monthly payments
- Funds received are tax-free and can be used in any way

Cons:

- Eligibility for other government programs may be affected
- Closing costs and service fees may vary greatly

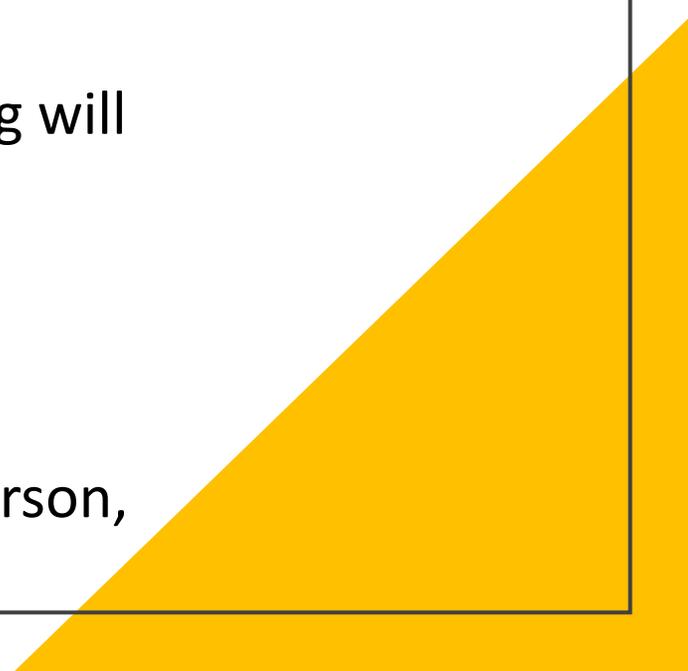


**REVERSE
MORTGAGES**

Are they right for you?

Long-term care insurance

Questions to ask:

- Is Alzheimer's disease or dementia covered?
 - When can the person with the disease start collecting their benefits?
 - What are the daily benefits?
 - What is the coverage period of the benefit? (How long will the benefits be paid, and is there a lifetime payout?)
 - What kinds of care will the policy cover?
 - What if any are the tax implications for receiving the benefits?
 - What if the funds run out prior to the death of the person, what other options are there?
- 
- A large yellow triangle is positioned in the bottom right corner of the slide, pointing towards the top right.

Federal Tax deductions for Seniors

Possible deduction expenses:

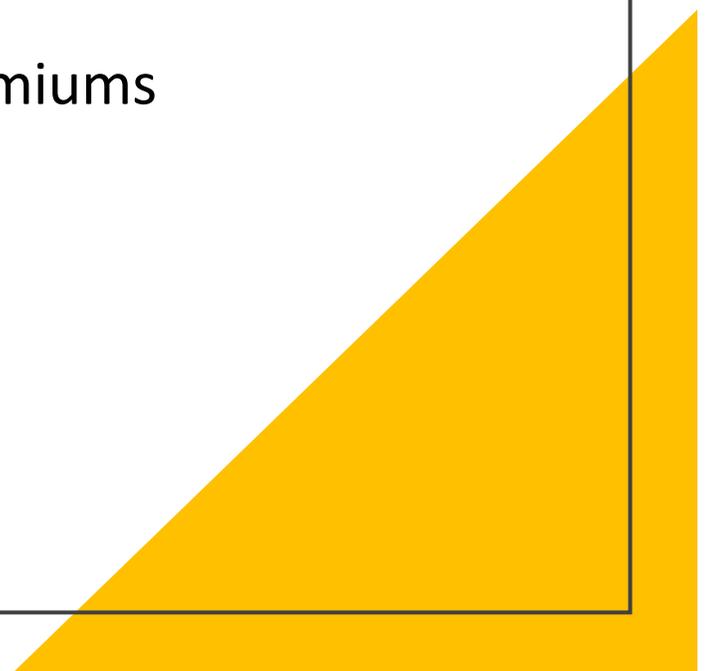
- Personal care items
- Home improvement
- In-home care
- Nursing services
- Assisted Living
- Nursing home care
- Transportation?
- Medical equipment?
- Medicine?



State tax deductions and credits

Your state tax deductions and credits may vary by state however, many include:

- Deductions of medical expenses
- Deduction of long-term care insurance premiums
- Caregiver tax credit
- Child and dependent care credit



Services through the older American act

Older Americans Act authorizes funds for:

- Supportive Services
- Nutritional Services
- Family caregiver support
- Disease prevention and health promotion
- Accessible through AAA (Area Agency on Aging)
- (<http://www.eldercare.gov>)



Medicare vs Medicaid: What's the difference?

Medicare

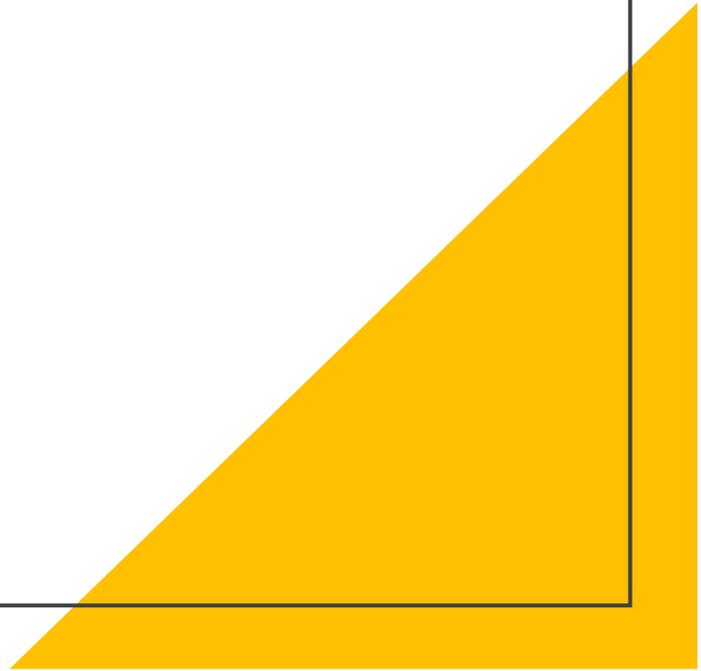
- Government insurance program
- Age-based
- Federally-administered
- Does not pay for long-term nursing home care

Medicaid

- Government assistance program
- Needs-based
- State-administered
- Does pay for long-term nursing home care

State health insurance counseling & assistance program (SHIP)

- Telephone counseling
- Face-to-Face assistance
- Public education
- <http://www.shiptalk.org>



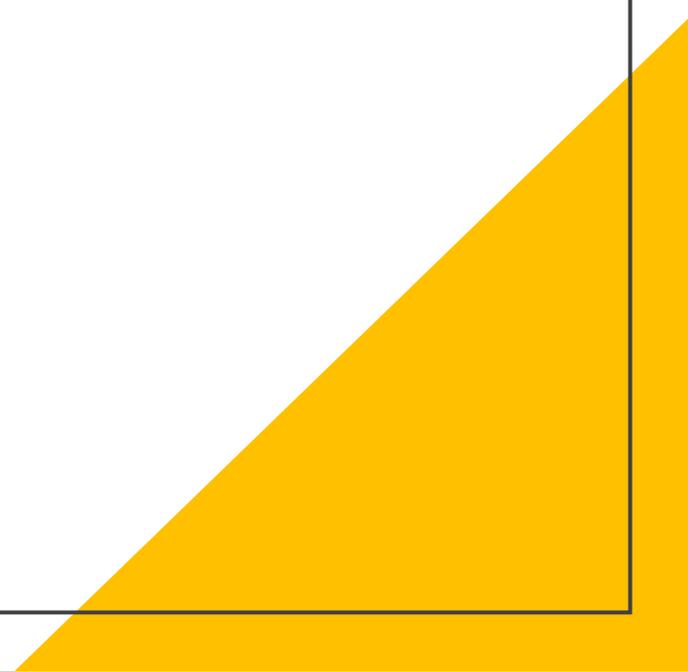
Medicare, Medicaid & nursing home care

When researching nursing homes always ask these questions:

- Whether Medicare or Medicaid is accepted?
- If the individual might need to pay privately first?
- What happens when the individual's resources are depleted?

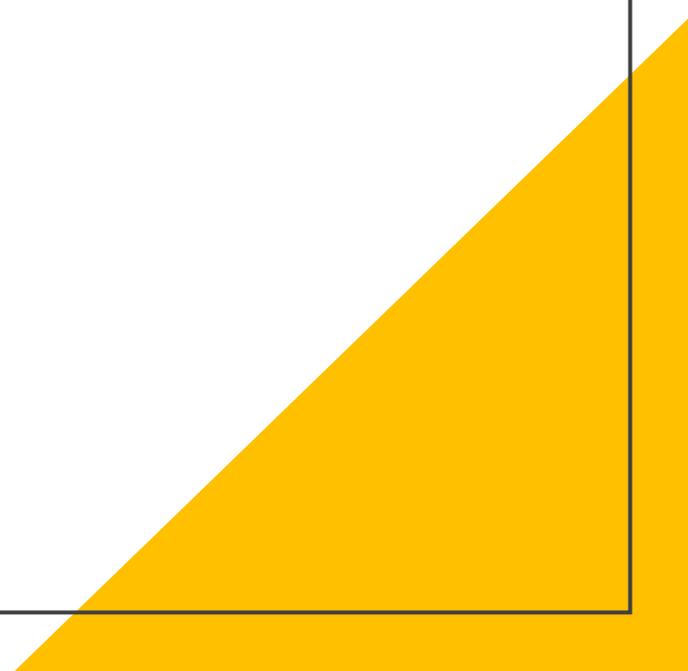
Employment:

Do a personal work assessment

- What are the essential functions of your job?
 - What is easy to still do?
 - What is difficult to do now?
 - What types of accommodations would help you to be successful?
- 
- A large yellow triangle is positioned in the bottom right corner of the slide, pointing upwards and to the left. It is a solid yellow color and is partially cut off by the right edge of the slide.

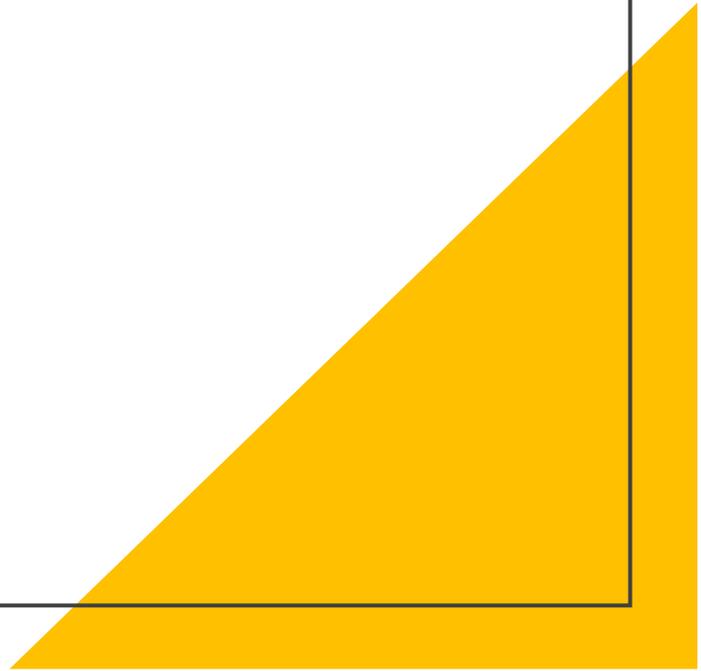
Employment: Explore your benefits

Warning: Do not make employment decisions before finding out what benefits are available to you. Such benefits may be:

- -Short-term disability plan
 - -Long-term disability plan
 - -Long-term care coverage
 - -Conversation options for health and life insurance
 - -401k loan options
 - -Family medical leave
 - -Personal leave
 - -Employee Assistance Program
- 
- A large yellow triangle is positioned in the bottom right corner of the slide, pointing towards the top right.

Employment: Communicating with your employer

- Maintain open communication
- Explore workplace accommodation options
- Provide documentation from your physician
- Meet regularly to review your performance
- Plan for your transition



Employment:

Telling your employer about your diagnosis

- Many people living with dementia may want to continue working. Read about your rights in the workplace and how to talk to your employer about the condition.
- Getting a diagnosis of dementia while still of working age can be difficult to accept. You may still want or need to continue working, whether it's for financial reasons or because you enjoy it.
- In most cases this is not a legal requirement, but it's a good idea to check your contract. Notable exceptions when you must inform your employer include if you are in the armed forces, or work on a plane or ship. If your job involves driving, you will also have to tell both your employer and DMV that you have dementia.
- **There may be a change in your role at work. Seek legal advice.**

Contact AFA or Alzheimer's Association
We are here to help

Visit Alzheimer's Foundation of America
alzfdn.org

Helpline: 866-232-8484

Or

Alzheimer's Association
alz.org

Helpline: 800-272-3900