



Candotti
Law Firm

Protecting what matters most

Do Your Parents Have *an Estate Plan?*

If you are part of the *sandwich generation*—caring for both your children and your parents at the same time—it is crucial that you know whether or not your parents have an existing estate plan.

While the final decisions within their estate plan rest with them, creating a comprehensive estate plan is an absolute necessity, regardless of when it is done.

The thought of speaking with your parents about important and often sensitive topics like their finances and estate planning probably makes you want to run as fast as you can in the opposite direction. Nonetheless, having this conversation is the key to ensuring that your parents are able to live their golden years without financial worries and that their wishes are carried out after their death.



Estate Planning for Your Parents

Initiating conversations about your parents' future, especially concerning their finances, medical care, and memorial wishes, can be challenging, but it is undeniably one of the most important discussions you can have with them. Addressing these topics sooner rather than later benefits everyone involved and ensures greater peace of mind and preparedness for the future. This crucial dialogue should encompass plans for when one or both parents pass away as well as scenarios where they become incapacitated and unable to manage their own affairs. To help ensure that their estate plan is comprehensive and aligns with their wishes, consider discussing the following key areas with your parents:

A team effort.

Encourage your parents to compile a list of their advisors, starting with legal and financial professionals, including their contact information. This list should also include the contact information for your parents' doctors so that whoever they nominate as their health care agent can reach them if necessary. Even if they prefer not to share the list immediately, they can create it and let you know where to find the information if the need arises.

Last will and testament or a trust.

If you discover that your parents do not currently have a last will and testament (also known as a will) or revocable living trust (also known as a trust), it is probable that they do not have other essential estate planning tools, as these important tools are often created as part of a comprehensive estate plan. If they do have a will in place, confirm when it was created, who the personal representative or executor is, and where the original wills are stored. Similarly, if you discover that they have a trust, you will want to confirm who the trustee is, whether or not they have funded property and financial accounts into their trust, and where the original trust documents are stored. Stress to them that you do not need to read their will or trust in its entirety, but knowing where to find the original documents is crucial to ensuring that their wishes are carried out when the time comes.

Medical directives.

While discussing your parents' estate plan, confirm whether they have created a living will (also known as an advance directive) and a medical power of attorney.

These important tools allow someone to make medical decisions on their behalf if they are unable to make or communicate their own medical decisions. If you discover that they have these tools in place, encourage them to have a conversation with their chosen agent under their medical power of attorney to ensure that the decision-maker understands your parents' feelings and wishes about both their medical care preferences as well as their end-of-life care, such as how their medical affairs should be handled should they become incapacitated and whether or not they want to be on life support.

Insurance policies.

It is important for you or your parents' trusted decision-makers to know what insurance policies they have and where documentation is located, especially if one or both parents become incapacitated. This includes health insurance (private or Medicare), life insurance, homeowner's insurance, auto insurance, disability insurance, and long-term care policies.

Financial, Investment, and Retirement Accounts.

Encourage your parents to create a comprehensive list of their checking, savings, brokerage, mutual fund, pension, and retirement accounts. This list should include where each account is held, account numbers, and the names of any key contacts at the institution. Just as important, your parents should have a financial power of attorney in place so that a trusted individual can step in and manage these accounts if your parents are traveling, ill, injured, or otherwise unable to manage their affairs. An experienced estate planning attorney can draft this document, but it is also wise to ask whether the financial institutions involved require their own power of attorney forms, since these are often more readily accepted. Having a valid power of attorney ensures that someone can access and manage your parents' accounts, whether checking, investment, or retirement, so that day-to-day expenses are covered and long-term financial needs are met during incapacity and beyond.

Why Estate Planning Matters

Failing to put together an estate plan often leads to chaos, excessive costs and taxes, unnecessary court involvement, inadequate incapacity planning, potential hurt feelings, delays in distributing inheritances, and even unexpected outcomes after death.

Fear and discomfort can keep you from having this important estate planning conversation with your parents. As estate planning attorneys, we can provide your parents with guidance and advice on what options are available to them so that their wishes are followed upon their death.