

THE ONE CONVERSATION

*You Need to Have with
Your Parents Now*



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For the first part of our lives, our parents are caregivers, then advice-givers and then sometime around mid-life, the tables often start to turn. They start asking their adult children for advice or help with things they don't understand or can't do anymore for themselves.

As this transition occurs, often the adult children wonder what will happen when their parents can no longer care for themselves. What if they need full-time care? Do they have adequate savings to pay for care and, if not, what are the alternatives?

Questions like these can be startling for those who have never had to think about these issues before.

The first thing to be done is open up the lines of communication. Parents and their adult children must talk about what they would like to have happen if they are in a situation where they can no longer take care of themselves or when they die. If a will is in place, the instructions may have become outdated since the original draft. Updating a parent's will should therefore be a top priority.

GET THE CONVERSATION GOING WITH THESE KEY QUESTIONS:

Would your parents want to go into a nursing home environment or would they prefer to stay at home and have someone visit them for their care?

Are there enough assets to cover these costs if needed and, if so, what specific assets should be spent down first, second, etc.?

Are estate documents and beneficiary designations updated and are the adult children aware of where these documents are located and what their responsibilities may be in the event of death or a healthcare need? This is especially important when there is more than one child, as questions about who will be the executor or who will have Power of Attorney are raised.

OTHER THINGS TO CONSIDER:

Discuss asset protection strategies with an attorney that specializes in elder care law. There are things that can be done, such as establishing a trust, to protect assets from being spent down in the event parents would have to go to a care facility for an extended period.

Evaluate whether or not a long-term care policy can be purchased for your parents. Most policies sold in Pennsylvania now are considered “qualified” and allow assets to be protected up to the amount of benefit paid out by the insurance company. Premiums may be fully or partially deductible for your parents depending on their current age. If your parents do not have the resources to buy a policy but qualify for coverage, it may behoove you as the adult children to purchase a policy for them. This may reduce or eliminate anguish or distress later that may result after hearing that your parents can not live alone any longer.

Talk to your financial advisor if you have these or similar concerns about your parents or about yourselves! Your advisor should be able to offer guidance and also refer you to strategic partners, such as an attorney who specializes in elder law, when necessary.

If you feel you are not receiving this type of advice or comprehensive guidance from your advisor, please give us a call.



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