



**HOUGUM
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December 2017 Newsletter



How to Discuss Your Estate Plan with Your Children During the Holidays

Creating your estate plan is an important step in preparing yourself, your family, and your finances for the future. Unfortunately, many of us find that conversations with our children about our planning are tense and emotional. Although it can be a difficult conversation to start, if you want to tell your children about your estate plan, do not put it off.

It is important that we make time for these important conversations while we are face-to-face. The holidays are a time when many families come together to celebrate. When our children live out-of-state or are very busy with their own lives, the holidays can be our only time together. Let us share our strategies for starting the conversation about your estate planning and help you anticipate your children's questions.

BEFORE THE HOLIDAYS

Before you meet for the holidays, revisit your choices for your decision makers as well as their responsibilities. This can include your agent under your durable power of attorney or your trustee under your trust agreement. This way, you will know the specific topics you want to include in the conversation with your children. You will want to be able to tell your children the name of your estate planning attorney and you may want to bring copies of your documents to the meeting. (Continued on Page 2)

(Contd. from Page 1) Your children will have questions. Plan ahead for them. List the questions you anticipate and choose your answers beforehand. For example, if you did not name your oldest child as your primary decision maker, why not? If your child who lives closest to you is not in charge of your health care decisions, what was your reason? When you choose to inform your children of your estate planning decisions, be sure to put them in the best position possible to understand your reasoning.

DURING THE CONVERSATION

During the conversation, take control. Tell your children your planning goals. Let them know the strategies you selected with your estate planning attorney to reach your goals. Listen to their questions, remembering that they may have planning of their own and that the laws can be different in other states. Know that this can be a very emotional topic. If your children become angry, sad or confused, help them remember the reason for the conversation but do not act defensive.

AFTER THE CONVERSATION

Once the conversation is over, be sure to communicate to your children that they may ask questions of you at any time. This way, your children can collect their thoughts and you can take their points into consideration. You may choose to revisit the conversation at a later time. It is not easy to discuss such serious topics. It is very necessary, however, as it will help ensure your wishes are followed after you are gone.

Do you plan to have this conversation with your children over the holidays? Is your Wisconsin estate plan up-to-date and ready for the discussion? You can always schedule a meeting with Attorney Alan Hougum to discuss your estate planning and make the revisions you need to reflect your wishes.



3 Provisions that Need To Be in Your Durable Power of Attorney

A durable power of attorney is an estate planning document that grants power to the agent you select to make decisions on your behalf. These decisions can govern legal and financial transactions. For example, provisions in your durable power of attorney could (Contd. on Page 3)

(Contd. from Page 2) authorize your agent to deposit your paycheck or pay your mortgage.

The primary purpose of this estate planning tool is to ensure there is someone with legal authority who can make these critical decisions if you are unable to act for yourself. A valid durable power of attorney also allows us to retain control and avoid court proceedings to choose a decision maker. Most of us are familiar with the contractual concepts associated with this document and the need for it in the event of incapacity.

What we are less familiar with, however, is the use of the durable power of attorney in the elder law context. As we age, it is critical that we think about our potential long-term care needs. We need to determine how we will find, access and, ultimately, pay for the care we need. Unfortunately, most of us will not be able to age-in-place in our homes and will need to live in a long-term care facility. In these instances, we may need to turn to programs such as Medicaid to pay for care. The ability to plan for long-term care and access public benefits programs must be included within the durable power of attorney for your agent to use.

This is where many durable powers of attorney fall short today. They do not contemplate the need for long-term care planning strategies. Let us share three of the key provisions that need to be included in your durable power of attorney.

1. Plan for long-term care.

Depending on when the document was initially drafted and executed, it may not have long-term care planning powers contained within it. Planning for long-term care is critical for you and your family. The costs of skilled nursing facilities are rising and many families cannot afford them without applying for a program such as Medicaid. Make sure your document gives your agent the authority needed to engage in this type of planning and apply for benefits.

2. Hire a family caregiver.

Many of our clients want to stay in their homes for as long as possible. In some instances, this can happen when a family member steps in and provides care for the senior in the home setting. The agent needs to have the authority to hire him or her to care for the senior. It is also important to determine if the power of attorney limits or precludes gifts to family members. If this provision is present, it should be reviewed by your elder law attorney together with the ability to hire a family caregiver, to determine if a conflict exists.

3. The power to make gifts.

Another power to consider granting your agent is the ability to make gifts. While gifting without a long-term care strategy in place can potentially harm your ability to qualify for public benefits, this is not necessarily the case when you work with your elder law attorney. Your elder law attorney can advise you on when gifting may be appropriate for your unique situation in light of your need for continued long-term care.



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Attorney Alan Hougum and his compassionate team will help you protect yourself and the people you love with strategic planning strategies, such as wills, asset protection and trusts, powers of attorney, estate trusts, elder law planning, Medicaid crisis planning, Medicaid eligibility and application, probate and estate administration, avoiding probate, charitable planning and giving, special needs, and estate tax planning. Hougum Law Firm, LLC, serves the entire Wausau, Wisconsin area.

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305 S. 18th Avenue, Suite 200, Wausau, Wisconsin 54401. Do you have questions you need answered before or after your appointment? Just let us know! Contact us by email at info@hougumlaw.com or call us at 715-843-5001.