

Power Play

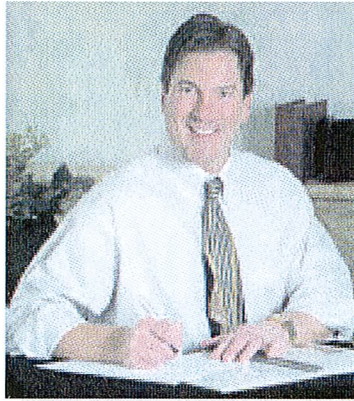
Protecting your assets by restricting their access

By Mark Stevens

"Son, I've got a few concerns. See, Mom and I built up quite an estate, and with the cost of nursing home, estate taxes and stuff ..."

"Don't worry about that stuff, Dad. We'll take care of you when the time comes."

Dad looks away, slowly shaking his head. A moment later, Mom blows out her 70th birthday candle.



from a faulty money mindset; they are poorly prepared for their own retirement, let alone helping their parents. They tend to overspend and support a "look at me" lifestyle that will most likely be unsupportable at retirement. How can someone with that money mindset assist an elder parent by taking over asset management, advanced estate issues, taxation, and nursing home protection issues?

I created that commercial hoping to encourage my elder friends to seek out professional advice and help secure their financial affairs, their income needs and their final estate plans. The commercial aired during the first week of "Who Wants to be a Millionaire," and almost all calls came in from sons and daughters – some with less than honorable intentions for their parents' financial well-being.

Now, before you read on you need to know I'm a tell-it-like-it-is kind of guy. And the way it is ain't always pretty. So unlike most financial advisers

Fact: Most American baby boomers suffer from a faulty money mindset; they are poorly prepared for their own retirement, let alone helping their parents.

I'm going to offer advice not only for your money, but also your life: because you can't separate them. So get ready for some tough information for your education and protection.

Fact: Most American baby boomers suffer

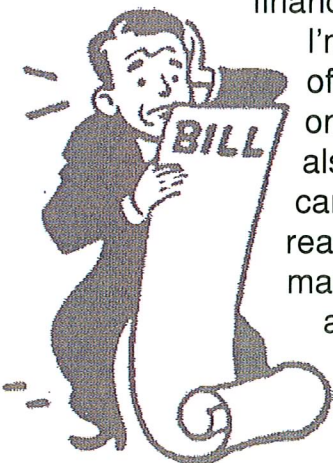
"Son, I've got a few concerns ..."

Around my tenth interview after my commercial aired, I realized I had hit a nerve. By attempting to help my elder friends and be their senior advocate, I unknowingly opened the door to children who wanted me to help them divest their parents of their hard earned assets! I stressed asset management, and asked to see

Mom and Dad during the process, whether they were cognizant or not. But I was trumped by, "I have power of attorney".

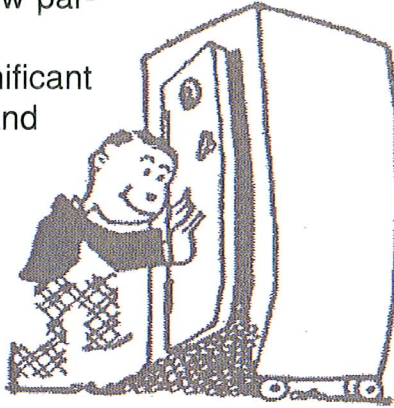
Power + Attorney = Control.

Of all the people I sat with, only three were sincerely concerned for their parents' financial security. Shocked, I pulled the commercial. Lesson learned: Elders need to revisit their estate plans when they are intertwined with their children or family members, especially when those family members have "Power of Attorney" over the parent. Sad but true. I hope you're one of the minority, but just to be sure, revisit your estate plans. Better safe than sorry.



Be warned. Power of Attorney is a useful and helpful tool. But misunderstood or used improperly, – it's a potent weapon.

"Ninety-nine percent of Power of Attorneys are credible and are held by loving, caring children", says Orchard Park, New York attorney Ed Pace. "But few parents understand that P.O.A.'s transfer significant powers to children, and should be reviewed frequently. Say an unscrupulous son has Power of Attorney over his dad. When the article (P.O.A) is created, the attorney discusses the various powers the father can select. Unfortunately, parents are lulled into the old story, 'A nursing home could get everything.' So the parent initials all powers, unknowingly giving the son the ability to sell, trade, spend or buy whatever he wants. I have actually seen children literally steal their parents assets from right under their nose."



If you wanna have it, you gotta earn it.

Our office promotes the "Earn it to get it" viewpoint when we counsel families regarding asset protection. We recommend using the most limited powers shown on the Power of Attorney document itself. Take it out, (you should control the original), read each line and ask yourself, "What exactly do I need help with? Do I just need help with bill paying? What other help do I need?" You will see



that the document may have a specific or limited power just for your needs. Call a competent advisor. By the way, it may be someone other than who created the document. Yes, you can see another

attorney if you want to.

We all love our children and family members, and preserving, protecting and bestowing the fruits of your labor to loved ones is the greatest of gifts. Simply be aware and be sure of the powers you bestow. Your children, no matter

Six ways to avoid hand grabbers

- 1) **Forewarned is fore-armed.** When we counsel people regarding elders' decreasing abilities to manage their affairs, we make a point to discuss the issue before a mental or physical disability occurs.
- 2) **Consider a Power of Attorney** that requires two children acting together for important powers like selling property or investments. Basic bill paying powers can rest with one child, allowing simple financial transactions to occur.
- 3) **Restrict or limit using Joint Tenancy** with Rights of Survivorship on all but transactional accounts, like low balance checking accounts. Why? Valuable tax benefits exist on certain accounts at your death; don't lose valuable estate planning benefits for convenience. Also, Joint Tenancy grants the ability for either one to sell, write checks, etc.; restrict these accounts.
- 4) **Question phrases** like "a

nursing home, or the state, or the Government will get everything". The fact is, you built up your assets to take care of you and your spouse first. Always look first to keep everything you have and research Long Term Care Insurance, Trusts or other planning techniques.

5) **If you have acted regarding Power of Attorney, Joint Accounts or other Power of Property** transfer techniques, do not be fearful of reviewing your actions with an objective consultant like an attorney, accountant or financial advisor. You can even get a second opinion. Remember, "nothing to hide, nothing to fear".

6) **Consider researching a Revocable Living Trust.** These documents can be very specific in their wording, offer better guidance to children, and keep the brakes on activities they may engage in on your behalf. Although not for everyone, don't overlook "trusting a Trust."

how bright they are, have their own life, their own ideas and their own problems. Be wise regarding your affairs, remain the parent, and guide your children toward your objectives, not theirs.



3870 North Buffalo Street, Orchard Park, New York 14127
667-7432 www.markstevensfinancial.com

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