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TAKING OVER AGING PARENTS' FINANCES

As our parents age, there is an almost inevitable probability that they will require assistance with financial or health issues. One or both parents may become ill or incapacitated and unable to keep up with their financial affairs as their mental and physical abilities begin to decline. This can mean that bills don't get paid or they get paid twice and checks bounce. Even worse, parents can become susceptible to scams and fraud. Children usually will have to step in and take over the management of their parents' finances, often during a crisis, and often with little knowledge of their parents' financial affairs. This can cause stress, not only to the parent who feels that his or her independence is suddenly being taken away, but also for the child who is now in the position of having to navigate through years of financial documents to ascertain exactly what the parents' assets, liabilities, income, and expenses are. Taking over a parent's finances can be a tricky business, both emotionally and financially for all involved.

The best way to avoid problems later on is to plan ahead. Planning ahead helps to ensure that parents' wishes are carried out, and it can eliminate potential conflicts among siblings about how mom and dad's finances will be managed and by whom. Children should have a frank discussion with parents about their assets, liabilities, income and expenses around the time parents retire, if not earlier. The problem is that many people are private about their finances, so parents may be reluctant to discuss the issue with their children. While bringing up the subject of finances with parents can be awkward, it is an important and necessary conversation to have so children can better assist parents later on. At the very least, parents should let their children know where the parents keep their important financial documents in case these documents are needed in an emergency. Ideally, parents should have an estate plan in place that includes powers of attorney and/or revocable living trusts that dictate who will manage their finances and under what circumstances. Additionally, parents should maintain updated lists of income and assets.

An article on Forbes.com offers a few practical suggestions for actions that children can assist their parents in taking *now* that will ease the burden and transition for children later, if and when the children need to step in and take over the management of their parents' finances:

1. Put regular transactions on autopilot. Have Social Security and other monthly checks deposited directly into bank accounts and have bills automatically debited.
2. Simplify where possible. Consolidate bank and brokerage accounts and request that financial service companies send duplicate paper statements to parents and children.
3. Have one child in charge. When children do take over, have only one child handle everyday finances and regularly inform the other siblings in writing of what is going on. Such communication can prevent tension and potential problems down the road.
4. Locate insurance policies. Insurance policies can easily be overlooked. Ensure that copies of all policies are easily accessible.

In taking over the management of a parent's finances, it is important that children respect their parent's rights and wishes. Children should allow parents to maintain as much control as possible. Parents should be kept involved as much as possible and informed of all actions that their children are taking on their behalf. Children should always keep their parents' money separate from their own. Starting the conversation about finances with a parent *now* will go a long way to help ease the transition of finances to a child later.

The attorneys at Oast & Hook can assist clients and their families with their estate, long-term care, veteran's benefits, financial, insurance, and special needs planning.

Ask Allie

O&H: Allie, it's mosquito season, and we've heard that heartworm can be a problem for cats as well as dogs. Please tell us about it.

Allie: Sure! Heartworm disease is a deadly threat to cats as well as to dogs; fortunately it is preventable. According to an article in *Cat Fancy* magazine, most veterinarians recommend using preventives year-round, and not just during mosquito season. The FDA-approved heartworm preventives for cats are: ivermectin (Heartgard® Chewables by Merial), milbemycin oxime (Interceptor Flavor Tabs® by Novartis), topical selamectin (Revolution® by Pfizer) and topical moxidectin (Advocat/Advantage Multi® by Bayer). The preventives do not repel insects, but will kill heartworms when they are microscopic and before they enter the bloodstream. Heartworms are transmitted when mosquitoes bite an infected dog, then bite a cat. The disease progresses differently in cats than in dogs; the larvae can trigger a life-threatening immune reaction called Heartworm Associated Respiratory Disease (HARD). HARD is difficult to recognize because the early signs are vague, and the disease can be misdiagnosed. There is no cure for feline heartworm; some cats may naturally clear the infection, and steroids and antibiotics can manage symptoms. Researchers are continuing to explore treatment options for cats. Prevention remains the best focus for pet families, even for indoor cats. For more information, visit the American Heartworm Society at

www.heartwormsociety.org or KNOW Heartworms at www.knowheartworms.org. I'm glad my mom makes sure that I'm up to date with my preventive medicine. Now I can go take that nap before our daily exercise routine. See you next week!

Announcements

Oast & Hook attorney Brian A. Boys will speak on the topic of estate planning from 2:00 p.m. to 3:00 p.m., Monday, July 12th at First Colonial Inn located at 845 First Colonial Road, Virginia Beach, Virginia, 23451. For more information on First Colonial Inn, please visit www.kiscoseniorliving.com/communities_firstcolonialinn.asp.

Oast & Hook attorney Brian A. Boys will speak on the topic of estate planning from 7:00 p.m. to 7:30 p.m., Tuesday, July 13th at Hillcrest Baptist Church located at 1637 Holland Road, Suffolk, Virginia 23434. For more information on the church, please visit www.hbsuffolk.org.

Oast & Hook life care planner Carey Raleigh will speak on the topic of life care planning from 3:30 p.m. to 4:30 p.m., Wednesday, July 21st at The Talbot on Granby located at 6311 Granby Street, Norfolk, Virginia, 23505. Seating is limited. If you have any questions or would like to register for this presentation, then please phone Susan Antoni at 757-451-5100. For more information on The Talbot on Granby, please visit www.thetalbotongranby.com

Oast & Hook attorney Letha McDowell will speak on the topic of elder law at the monthly meeting of the Norfolk Retired Employees Association from 10:30 a.m. to 11:00 a.m., Friday, July 30th at the Titustown Recreation Center located at 7545 Diven Street, Norfolk, Virginia 23505. For more information on this organization, please visit www.norfolk.gov/retirees.

Oast & Hook is pleased to announce that it will open its new Harbour View office on Monday, July 26th. This office is located at 5806 Harbour View Boulevard, Suite 203, Suffolk, Virginia 23435. Oast & Hook's telephone and fax numbers will remain the same.

Distribution of This Newsletter

Oast & Hook encourages you to share this newsletter with anyone who is interested in issues pertaining to the elderly, the disabled and their advocates. The information in this newsletter may be copied and distributed, without charge and without permission, but with appropriate citation to Oast & Hook, P.C. If you are interested in a free subscription to the *Oast & Hook News*, then please e-mail us at mail@oasthook.com, telephone us at 757-399-7506, or fax us at 757-397-1267.

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Our website contains information about Oast & Hook and an archive of our newsletters and other estate planning, estate administration, and elder law articles in searchable format.

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