

URBAN AGING NEWS

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Info, Insight, & Inspiration for Metro Detroit's Maturing Adults



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Estate Planning Made Simple

Expert Advice



With the final crescendo of the closing year upon us, I wonder how many people have their personal legal affairs in order? Many people will agree that it is important to “have a will,” but many will then sheepishly admit that they do not have one themselves. If they do not have a last will and testament, it is likely they do not have any of the other important legal documents in place. If pressed for a reason, the usual excuses given are: “I’ll get to it,” or “I don’t have a lot to leave,” and “my family knows what to do.” Some say, “it’s depressing to think about,” and my favorite excuse is “lawyers are expensive.”

If estate planning - putting your personal legal affairs in order - is intimidating and confusing for you, consider these practical steps that may make the process manageable and less scary. Use these steps as a checklist and, before you know it, you will have your estate plan in order. If you are not able to complete the process before the end of this year, then make it a resolution for the new year.

1. Resolve to complete (or update) your estate plan this year:

Make estate planning a priority and commit to completing the process below. Share your goal with your spouse if married, or a child or friend if you are unmarried. Be accountable to someone to get this done.

2. Remember that a good plan covers both life and death events:

A proper estate plan is broader than a will that directs who gets what when you are gone. It is also about authorizing someone you trust to step in and manage your financial/legal affairs and to supervise your medical/personal care needs for you if you are incapacitated.

3. Make a detailed list of the financial assets you own:

You are creating an inventory of what you own. It should list bank accounts, CDs, investment accounts, IRAs, life insurance policies, annuities, home, other real estate, automobiles, campers, personal items of value. It should include items like furniture, coin collections,

artwork, family photographs, tools, items used for hobbies, etc. Be specific and list each item or account separately. Also make note of beneficiaries and anyone who is a joint owner with you.

4. Determine who gets what assets:

Next to each item on your inventory, list who should receive it at the end of your life. If more than one person is to receive it, then indicate the percentage each person receives. If you want charities to receive anything, then list each charity specifically and indicate what, or how much, the charity is to receive. You may choose to give specific items or specific dollar amounts to certain persons or charities.

It is also important to list any of your heirs or closest relatives that you want to exclude from inheriting from you. Similarly, make a note if any of the persons you have named are disabled or receiving benefits from Medicaid or Social Security Disability benefits.

5. Decide who you trust to make decisions if you are incapacitated:

It is critical that you designate the persons you trust most to help you, if necessary, due to hospitalization, contracting a chronic illness, or experiencing dementia. Life emergencies happen without warning and your trusted helpers need to be able to step in quickly to handle your financial/legal obligations as well as make important medical decisions if you are unable to make those decisions yourself. If you do not have the documents to cover life emergencies, then your family will have to go to probate court for authority to act for you. That will take time and likely cost more than

the legal documents you can prepare now.

6. Make it legal: Once you have the information above, take it to an attorney who offers a free consultation. The attorney will talk to you about the legal documents needed for your plan to be complete and will quote you a price. Do not “play lawyer” and try to execute legal documents on your own. There’s a reason attorneys are licensed professionals.

7. Let your family know: Once you have your plan in place, celebrate! Let your closest family and/or friends, and your trusted advisors know that you have an estate plan. They will probably be grateful that you took the time to put your personal legal documents in order. You will be relieved that you will no longer be embarrassed to answer the question: “Do you have a will?”



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