

Late Life Planning Starts Early

Maximize the financial legacy you leave behind.

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Passing away, whether expected or sudden, means an upheaval on many fronts, including financially. It is important to be ready, whether death comes by accident or is the long-term result of the natural aging process. It isn't morbid to look at life realistically and make plans for your final years.

There are numerous questions to ask that will help guide your myriad late-life details.

What are your intended living arrangements after retirement? Are you going to stay in your own home? Are you going to move in with a family member? It is much better to make decisions early – don't wait for an emergency.

If you have your sights set on a retirement village or assisted living facility, you might research what expenses will be incurred from this type of living arrangement.

Wherever you choose to reside, you should name powers of attorney and include in this step the establishment of an advanced health care directive, including a living will stating your wishes for medical care, and a durable healthcare power of attorney, which names someone to make decisions about your medical treatment if you can't.

Do not confuse your living will with your last will and testament. The difference between them is when they take effect – as their names suggest.

Creating a last will and testament is an absolute necessity especially for parents of minors, since they need to appoint a guardian in the event both die before the children reach majority. In addition, parents can set up trusts for their children who can't legally inherit property or money until they become adults.

Especially important to those who have significant financial portfolios is the appointment of a financial power of attorney. This person can manage your financial affairs when you are unable to or incapacitated.

Be sure to consult an attorney to draft all the documents, including wills and all types of proxies. These should be kept in a safety deposit box or a safe at home. Additionally, make sure to include instructions for executors of your estate.

You should ensure that the management of your assets is carried out in accordance with your wishes. It may seem self-evident, but there should be money put aside to pay for funeral expenses, which can average \$7,000 to \$10,000. It might be a good idea to pre-purchase a plot (or adjoining plots for a married couple) in a chosen cemetery. Healthcare costs, including hospice care or a room in a nursing home, can also have an impact on your budget. Consult your financial advisor and other professionals about options for preparing for these expenses.

Planning late-life finances early may not only give you and your loved ones peace of mind, but may help maximize the financial legacy you leave behind.

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