

Why Do I Need a Power of Attorney?

By Lauren E. Miller, Esq.

A power of attorney is a legal document in which you can designate a person to make financial decisions for you. Unlike a will (which takes effect only after your death), the authority under a power of attorney is valid only while you are alive. If you start to need help managing finances, it can be helpful to designate a trusted family member, friend, or professional as a power of attorney before you become incapacitated. For example, the person with a power of attorney can speak with or request documents from financial institutions, help complete applications for public benefits, or sign checks to pay bills. Be cognizant that this person can also enter into transactions on your behalf such as selling your house or moving funds from your accounts.

Instead of executing a power of attorney, some seniors opt to add one of their children to their bank accounts as a joint owner. This can have unintended consequences. Upon the parent's death, confusion can follow as to whether the account funds were meant to be split equally among all the children

or left only to the child who was made joint owner. Similarly, adding a child to a real estate deed can have serious tax implications upon a later sale of the property, result in the parent becoming ineligible for Medicaid benefits, or affect the eligibility of children or grandchildren for need-based student financial aid. An experienced elder law attorney can draft the power of attorney document to address the unique challenges faced by elders and their families.

RESPONSIVE SOLUTIONS

Two simple words that explain our commitment to you. Being responsive is a critical element in building a strong attorney-client relationship. Whether you are a new or existing client, we'll be quick to respond to your needs with the knowledge necessary to find solutions to your legal concerns.

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