



Choosing an Agent

When you grant a power of attorney, you want to name the right agent. But you may not be certain how to identify that person. One approach is to set some basic criteria focusing on essential characteristics. Then ask yourself a series of questions that help you determine if a prospective agent meets those criteria.

1. Most important, do you trust the person to always act in your best interest? Can past experiences back that up?
2. Does the person live fairly close by or is he or she able to travel quickly if needed?
3. Is the person in good health?
4. Is the person confident in his or her own judgment?
5. Does this person make an effort to evaluate a situation before making a decision?
6. Will the person respond effectively to criticism about his or her decisions or to potential conflict?
7. Does the person communicate well with many different types of people?
8. Will you be comfortable sharing the details of your financial situation with this person?
9. Will you be comfortable having a serious discussion with the person about your wishes for end-of-life care? How will you react if he or she disagrees with your views?
10. Can you think of any reason that naming this person might not be a good idea?

It may be that you already have a person in mind to name as your agent. But before you make a final decision, you should probably see how he or she scores on this list of questions. Or, if there are two well-qualified candidates with different strengths, you may want to grant one power of attorney for finance and the other power of attorney for healthcare.

Comparing Powers of Attorney for Finance and Healthcare



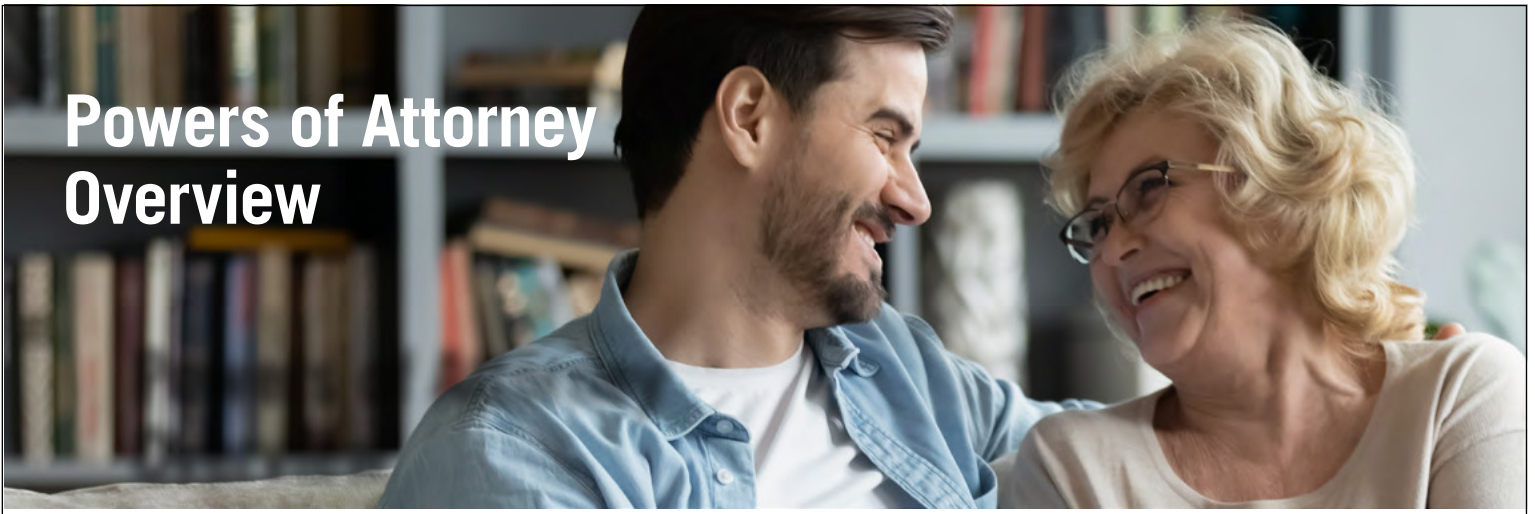
A power of attorney authorizes someone to act on your behalf if you are unable to make decisions or communicate your wishes about your finances or healthcare choices. That’s true, whatever your age. But powers of attorney are particularly relevant as people grow older and may need help from someone who is legally authorized to make essential decisions.

Powers of attorney for finance and for healthcare are created separately, but they have a number of features in common, and the agent may be the same person. Each type can be changed or revoked during your lifetime as long as you are capable of making that decision.

The chart below summarizes key features of the two types of powers of attorney.

Finance POA	Healthcare HCPA
Written and signed document that meets state requirements authorizing an agent to act on grantor’s behalf	Written and signed document that meets state requirements authorizing an agent to act on grantor’s behalf
Agent has a fiduciary duty to act in the grantor’s best interest	Agent has a fiduciary duty to act in the grantor’s best interest
Grantor retains right to make decisions as long as he or she is able	Grantor retains right to make decisions as long as he or she is able
A durable POA enables a trusted agent to act during grantor’s lifetime	A durable HCPA enables trusted agent to act during grantor’s lifetime
Agent’s authority covers all financial responsibilities grantor wants the agent to have	Agent is authorized to follow the terms of the grantor’s living will in making healthcare and end-of-life decisions
Agent usually cannot change will, beneficiary designations, or name a replacement agent unless specified in POA	Agent cannot ignore or act counter to grantor’s living will, though may make decisions not specifically mentioned
Agent may gradually assume more responsibilities if grantor needs help managing financial affairs	Agent often faces greatest responsibility in end-of-life situations

Powers of Attorney Overview



Granting a power of attorney (POA) is a major commitment. It recognizes that at some point in your life you may be unable to handle your finances or make decisions about your healthcare. But even more important, it names a person you trust to make the decisions you would have made or that are in your best interest. However, you always have the right to handle your own affairs as long as you're able, and you can terminate the POA if you wish.

Choosing an Agent

If you're creating two powers, one for finance and the other for healthcare, you may choose separate agents for each, or you may select the same person for both roles. It's your choice and depends on the qualities you seek in an agent and whether one or more people seem qualified. If you're working with an attorney to prepare the power of attorney documents, it helps to make your choice before you meet to finalize the paperwork.

Comparing POAs

There are four types to consider.

When you choose a POA for finance, there are situations in which any of the four might be appropriate. You might select a **limited** power of attorney if you needed an agent to stand in for you to handle a specific task or during a specific period of time. For example, this approach might be appropriate if you planned to be on an extended trip out of the country. With a **general** POA, on the other hand, you can grant as much authority to your agent as you wish. However, the agent's authority ends if you should become incapacitated and unable to handle your affairs.

A **durable** POA can grant whatever powers you wish, just as you can with a general power, but remains in force for as long as you live, whether or not you become incapacitated. A **springing** POA, like a durable POA, lasts until your death. However, it does not become effective until an event, such as you're being deemed incapacitated, occurs. You can specify in the POA document how incapacitation should be determined.

When you grant a healthcare power of attorney (HCPA), though, you generally choose between a durable or springing POA.

You should also check with your bank and other financial institutions where you have accounts about their individual power of attorney requirements. If separate POAs are necessary, as they may be, you and your agent will want to be sure these documents are in place as well



Create a Financial Inventory

Use this checklist below to help gather and organize the financial records, expenses, and other critical documents you need to manage an older adult's finances.

Financial Accounts

- Annuities
- Certificates of deposit
- Checking accounts
- Credit cards
- Investment accounts
- Retirement accounts
- Savings accounts

Living Expenses

- Cellphone/landline
- Electricity
- Gas
- Internet
- Cable TV
- Property taxes
- Rent
- Subscription services

Property

- Antiques
- Art
- Boat(s)
- Jewelry
- Rental property
- Primary residence
- Vehicle(s)
- Safe deposit box

Loans

- Auto
- Home equity
- Mortgage
- Personal
- Reverse mortgage
- Student

Insurance

- Auto
- Disability
- Homeowners
- Life
- Long-term care
- Medical
- Medicare
- Renters
- Umbrella

Income

- Annuities
- Business income
- Insurance payments
- Investment interest
- Dividends
- Military benefits
- Pension
- Retirement income
- Rental property
- Salary
- Social Security

Professional Services

- Accountant
- Attorney
- Insurance agent
- Financial advisor
- Doctor
- Dentist
- Landlord
- Property manager

Home Services

- House cleaner
- Plumber
- Handyman
- Gardener/landscaper
- Snow removal
- Home health aide
- Dog walker



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Summary of Financial Accounts

Once you've granted an agent a power of attorney for finance, you'll need to provide that person with the information he or she will need to handle your financial affairs effectively at whatever point that may become necessary.

Using the format below, provide the information indicated. There may be more than one entry in each category, especially if you have both checking and savings accounts at your bank, use more than one bank, or have more than one insurance policy.

Bank accounts

BANK NAME _____ BRANCH ADDRESS _____ ACCOUNT NUMBERS _____ LOGIN _____

Brokerage accounts

FIRM NAME _____ ADDRESS _____ ACCOUNT NUMBERS _____ LOGIN _____

Mutual fund accounts

COMPANY NAME _____ ADDRESS _____ FUND NAMES/NUMBERS _____ LOGIN _____

COMPANY NAME _____ ADDRESS _____ FUND NAMES/NUMBERS _____ LOGIN _____

Insurance companies

COMPANY NAME _____ ADDRESS _____ CONTRACT NUMBERS _____ LOGIN _____

LIFE _____

HOMEOWNERS _____

AUTOMOBILE _____

HEALTH _____

Utility, phone, and Internet providers

COMPANY NAME _____ ADDRESS _____ ACCOUNT NUMBERS _____ LOGIN _____

COMPANY NAME _____ ADDRESS _____ ACCOUNT NUMBERS _____ LOGIN _____

COMPANY NAME _____ ADDRESS _____ ACCOUNT NUMBERS _____ LOGIN _____



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