

WISERWoman

A QUARTERLY NEWSLETTER FROM THE WOMEN'S INSTITUTE FOR A SECURE RETIREMENT

Specially Prepared for the Center for American Nurses

Get It Together! Financial and Health Care Paperwork You Need Right Now

So here's a plan—while it's still tax season, why not take some time and get organized one step further? Instead of just gathering up your important paperwork, make sure that you actually have all the documents you need. The easy stuff first: finding your Social Security card, birth and marriage certificates or divorce settlement papers. Then there are the titles to the car and the house.

More importantly, many of us have no idea where our Health Care Power of Attorney is—if we even have one. That's because most people avoid the issues that are hardest to think about. Resolve to organize your important paperwork in one place. Don't be overwhelmed, just get started, and then enjoy the peace of mind that comes with knowing you have taken action.

As a first step, find one place to keep your important documents and make sure your family knows where it is. In a time of crisis, will your children know what insurance you have or what your health care wishes are? What if you were in an automobile accident and were unable to communicate? Have you identified the person you would like to have making your financial or health care decisions? Or what if you actually died as a result of your injuries? Would your family members know that you had a 401(k) with your former employer?

Advanced planning for life's important decisions is as necessary as living your life. You need to make your wishes known to the people who can carry them out if you are unable to do so. And this requires a little planning. We also strongly suggest that you review everything with a lawyer or other expert in financial and estate planning.

Here are three basic financial documents that everyone needs:

- ✓ **Durable Power of Attorney for Finances**



- ✓ **Living Trust, and**
- ✓ **Last Will and Testament**

It is also important that you have health care documents called Advance Directives. These are:

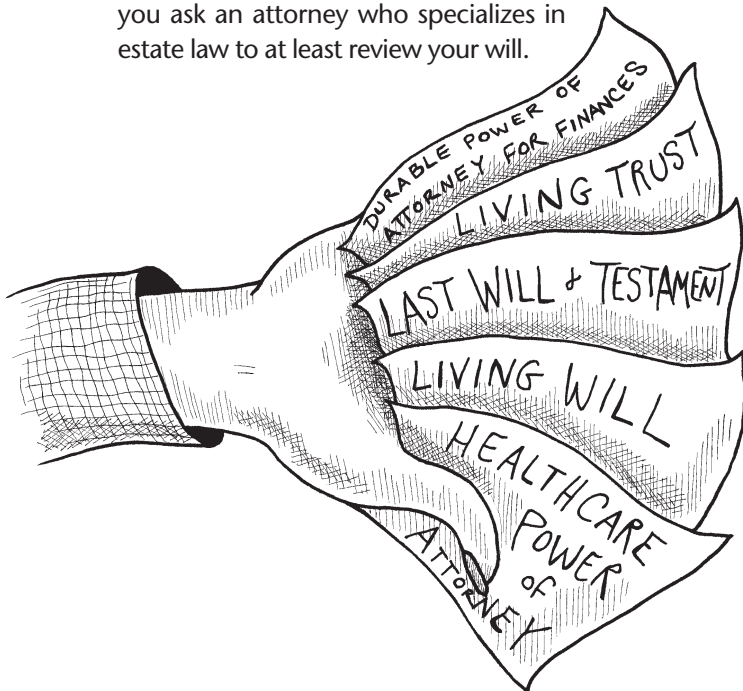
- ✓ **Health Care Proxy** (also called a **Durable Medical Power of Attorney**)
- ✓ **Living Will**

Financial Documents:

1) Durable Power of Attorney for Finances is a legal document in which you appoint another person to act on your behalf. This keeps your finances in the hands of a person you trust. If you become incapacitated, that person has the authority to make financial decisions for you. The Durable Power of Attorney may be used immediately and is *effective until you die or until you decide to revoke it*. This person must act in your best interests, keep accurate records, keep your property separate from his or hers and avoid conflicts of interest.

2) Living Trust (not a living will) is a legal document that allows you, or a person you name as trustee, to transfer ownership or title to your assets into a trust, but still have control of those assets throughout your lifetime. It names those who are to receive the assets from your trust when you die. A living trust allows your heirs to avoid probate.

3) Last Will and Testament is a legal document that gives directions about where and to whom your assets should go *after you die*. You name an "executor" to carry out your directions as stated in the will. Consider someone in whom you have complete confidence, who is well organized, someone who knows you, but does not have a conflict of interest. What is considered a valid will varies from state to state; therefore we strongly recommend that you ask an attorney who specializes in estate law to at least review your will.



So how do you choose the trustee for your living trust and the executor for your will?

Trustee. Some people name themselves as trustee so they can manage their trust unless they become incapacitated or die. Or they appoint a successor trustee if they become unable or unwilling to act. Or they appoint co-trustees. Others name an institution as trustee. If you name a trustee, remember that this person will have control of your assets, so choose carefully—someone responsible and reliable. You might decide on a family member, a child, a business associate or a financial advisor.

Executor. Your executor is the person (or institution) you name in your will to manage your estate and carry out your wishes *after* your death. An executor, unlike a trustee, is "under the supervision of the court," and must obey the state laws.

Being named executor may or may not be considered a compliment and it can be considered a burden. Consider someone in whom you have complete confidence, who is well organized, someone who knows you, but does not have a conflict of interest—someone who has the personal maturity to do what has to be done. As is the case with trustees, you can appoint co-executors. You may make a provision to pay your executor.

Your executor and your trustee can be the same person or institution.

NOTE: There are lots of people who want to sell you their services. Be wary of "free" estate planning seminars whose business purpose is to sell legal and financial services.

Health Care Documents— Advance Directives:

You will need two documents: a Health Care Proxy and a Living Will.

It is advisable to have both documents. The person with your **Health Care Proxy or Power of Attorney** is designated to make decisions, based on your instructions, if and when you are unable to speak for yourself. While a **Living Will** specifically outlines your decisions about health care treatment, it does not provide a spokesperson. Together, a health care proxy and a living will can work to make your health care wishes clear and guarantee those wishes are carried out.

1) A Health Care Proxy, also called a Health Care Power of Attorney or Durable Medical Power of Attorney, is a person you appoint to make health care decisions for you if you are unable to make those decisions for yourself. A health care proxy can make sure that health care providers follow your wishes and can decide how your wishes apply as your medical condition changes. Hospitals, doctors and other health care providers must follow this person's decisions as if they were your own.

You may give this person as little or as much authority as you want, i.e. you may allow your proxy to

make all your health care decisions or only certain ones. Whoever it is, be sure it is someone you trust to carry out your wishes. You should also consider naming a proxy who lives close to you. If you are terminally ill and unable to make decisions, your proxy might have to spend a great deal of time nearby to see that your wishes are followed.

2) A Living Will serves as a written declaration of your health care wishes when you cannot communicate them personally. It explains your health care preferences and instructs your doctor about your end-of-life decisions. You may say something as simple as, "I prefer that all care be directed at comfort and that life-supportive treatments not be used." Or, you may want to be more precise and describe the medical situations in which you would accept or refuse medical treatment. For example, a **do not resuscitate** order (DNR) makes clear that you do not wish to have cardiopulmonary resuscitation (CPR) to restart your heart and lungs.

(NOTE: A Living Will is not used to name a proxy. You must name your proxy in a separate document—see Health Care Proxy above.)

Resources:

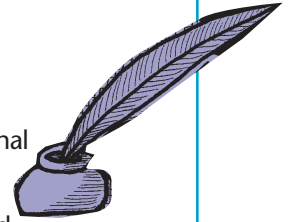
There are numerous sites online with easy to fill in forms and advice. Some require payment and others are free. You will find some examples at the following:

www.legalzoom.com
www.TheTrustguide.com
www.caringinfo.org

Writing a Living Will:

Make sure:

- ✿ The statement of your personal health care wishes is clear.
- ✿ Your name is clearly defined as the person creating the Living Will.
- ✿ You have signed and dated the document.
- ✿ Two witnesses sign and date the document.
- ✿ The witnesses make short statements that you signed the document willingly.
- ✿ You have the Living Will notarized as a safeguard.



After preparing and signing the documents:

- ✿ Make copies of the completed documents.
- ✿ Keep the originals in a safe place.
- ✿ Give copies to your proxy, your attorney or other advisor, close family members, your doctor and anyone else involved in your health care.

Remember both the Health Care Proxy and Living Will:

- ✿ Help to insure that your health care wishes are followed if you are unable to speak for yourself;
- ✿ Can be cancelled by you at any time;
- ✿ Should be discussed with close friends or family members. You may also wish to consult with a professional for assistance in preparing a document.