



## DON'T WAIT FOR A TRIGGERING EVENT: Plan and Act Now

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Patricia Ioas | [Following](#)  
Owner at Elders Advisory Services, LLC  
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What is a triggering event? A triggering event is an event that occurs, which causes another event to occur. Everyone experiences triggering events; how many and the nature of the events depend on the individual and their family circumstances. Triggering events include births, marriages, divorces, medical conditions, terminal illnesses and deaths. The negative impact of these events can be minimized with planning and action. All these events can have significant financial and legal implications.

As Benjamin Franklin stated, there are only two things certain in life: death and taxes. Everyone is certain to have at least one triggering event, which is death. According to a study by Lexis Nexis, approximately 55 percent of Americans do not have a will or estate plan in place. Comments such as “I’ll get to those when I need to” or “those are old people documents”, are excuses for not addressing these important documents. Every person of legal age needs these documents, and no one knows when they will need them. Without these, the burden of your inaction falls on your loved ones and will likely occur at a difficult and emotional time. In addition to the emotional burden, there can also be financial implications to the lack of planning.

Having the legal documents prepared is a first step in the planning process; however, it’s not enough. If a trust is created, it’s critical that the trust is funded. If the trust is not funded, an individual has expended legal fees for creating the trust, without realizing the benefit of doing so. Secondly, it’s important to review the legal documents every 3-5 years, when a significant life event happens and update the documents as necessary. If a person is named in a document as an executor/executrix, or power of attorney, it’s a good practice to make

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sure the individual is aware of their future role, understands the responsibilities and that over time, their commitment to this role remains unchanged.

In addition to legal documents, there are also financial matters that should be addressed. These include how assets are titled and named beneficiaries of retirement accounts and life insurance policies. Everyone should have a comprehensive listing of financial accounts that includes the financial institution, account owner, and account number. Having financial documents in order is critical for those who are responsible for handling financial matters. Like the review of legal documents, it's important to periodically review the listing of financial accounts and update it accordingly. In addition, named beneficiaries on accounts should be reviewed and updated, as necessary.

One triggering event that can be significant and is often not even considered is elder financial abuse. The impact on the senior and their loved ones goes beyond the financial loss. Reported cases of elder financial abuse continue to increase. Many seniors who are victims of such abuse do not recover emotionally. Additionally, the loss of resources often impacts the quality of life and future level of care the seniors can afford. While one cannot anticipate if they will be a victim of such abuse, there are steps that can be taken to prevent financial abuse. The importance of developing a plan and acting to safeguard resources cannot be understated.

It takes time to get legal and financial matters in order; however, the time is an investment in providing peace of mind for everyone and ensuring that wishes are documented. As Napoleon Hill states, *“Reduce your plan to writing. The moment you complete this, you will have definitely given concrete form to the intangible desire.”*

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**Patricia Ioas**

Owner at Elders Advisory Services, LLC

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