

The Tough Questions You Need to Ask Your Parents

There are 76.4 million baby boomers in the United States. Over the next fifteen years, 8,000 of them will turn 65 every day. Our aging population is living longer than ever before. So who wants to talk about dying? Not many of us, and therein lies the problem.

Initiating a dialogue with your parents about their plans for the future – including their estate, their finances, their health coverage, and their end of life requests – will help identify their wishes and ensure a plan is in place to fulfill them.

When you are ready to broach the topic, the following are the most important issues to address.

1. **Do they have an estate plan?** The primary document in an estate plan is a will or a trust, which is a set of instructions for how they wish for their property and finances to be handled after death. If they have a plan, how recently was it drafted? Who have they designated to administer the plan after death? Where are the original documents located, and who has a copy?
2. **Do they have an advance health care directive (AHCD) and power of attorney (POA)?** The AHCD is akin to a living will, setting forth a person's wishes concerning end-of-life health care and designating an attorney-in-fact to act on the person's behalf when they are no longer able to act on their own. The POA designates an attorney-in-fact for all other decisions, including financial, tax and real estate.
3. **What type of health benefits do they have?** This information is more crucial now than ever before. Without proper planning, a person's assets may be swiftly depleted if faced with paying for extended hospital care. Although more people are opting for long term care policies, the coverage provided might not be sufficient to fully cover such care. There are steps that could be taken to minimize the personal financial exposure one or both parents might face.
4. **What investment accounts and insurance policies do they have?** Normally, these accounts and policies will have a beneficiary designated, and may require periodic updating. Who is the current designee? Is the designation up to date? Where are these documents located?
5. **Who prepares and files their taxes?** Where do they keep their tax files? The answers are important, since upon death, a final tax return must be filed for each individual.
6. **Do they intend to reside in their home for the rest of their lives?** If parents still reside in the home in which they raised their family, the home may be too large, or unfeasible given its layout or location. Parents may want to move to an assisted living community when they can no longer care for themselves. Can they afford to do so? Could they afford in-home care if they wished to remain in their home?
7. **Do they have a safe-deposit box?** Where is it located, and who access? What is inside the box, and what are their intentions for those items?
8. **What are their post-mortem wishes?** Do they wish to be buried or cremated? Do they have a burial policy? Do they have burial plots that they forgot to tell you about?

Dealing with the incapacity and eventual death of a parent is a tremendous loss under the best of circumstances. Doing so without the benefit of certainty can be truly unbearable. The dialogue may be difficult to initiate, but the information gained will be invaluable. We urge you to take that first step.