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MEMBER



*Special needs require special lawyers.*

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## TAKING OVER AGING PARENTS' FINANCES BY SANDRA SMITH, CELA

As our parents age, there is an almost inevitable probability that they will require assistance with financial or health issues. One or both parents may become ill or incapacitated and unable to keep up with their financial affairs as their mental and physical abilities decline. This can mean that bills don't get paid or they get paid twice and checks bounce. Even worse, parents can become susceptible to scams and fraud. Children usually will have to step in and take over the management of their parents' finances, often during a crisis, and often with little knowledge of their parents' financial affairs. This can cause stress, not only to the parents who feel that their independence is suddenly being taken away, but also for the children who are now in the position of having to navigate through years of financial documents to ascertain exactly what the parents' assets, liabilities, income, and expenses are. Taking over parents' finances can be tricky business, both emotionally and financially for all involved.

The best way to avoid problems later on is to plan ahead. Planning ahead helps to ensure that parents' wishes are carried out, and it can eliminate potential conflicts among siblings about how mom and dad's finances will be managed and by whom. Children should have a frank discussion with parents about their assets, liabilities, income, and expenses around the time parents retire, if not earlier. The problem is that many people are private about their finances, so parents may be reluctant to discuss their finances with their children. While bringing up the subject of finances with parents can be awkward, it is an important and necessary conversation to have so children can better assist their parents later on. At the very least, parents should let their children know where the parents keep their important financial documents in case these documents are needed in an emergency. Ideally, parents should have an estate plan in place that includes powers of attorney or revocable living trusts that dictate who will manage their finances and under what circumstances. Additionally, parents should maintain updated lists of income and assets.

An article on Forbes.com offers a few practical suggestions for actions that children can assist their parents in taking *now* that will ease the burden and transition for children later, if and when the children need to step in and take over the management of their parents' finances:

1. Put regular transactions on autopilot. Have Social Security and other monthly checks deposited directly into bank accounts and have bills automatically debited.
2. Simplify where possible. Consolidate bank and brokerage accounts and request that financial service companies send duplicate paper statements to parents and children.
3. Have one child in charge. When children do take over, have only one child handle everyday finances and regularly inform the other siblings in writing of what is going on. Such communication can prevent tension and potential problems down the road.
4. Locate insurance policies. Insurance policies can easily be overlooked. Ensure that copies of all policies are easily accessible.

In taking over the management of a parent's finances, it is important that children respect their parents' rights and wishes. Children should allow parents to maintain as much control as possible. Parents should be kept involved as much as possible and informed of all actions that their children are taking on their behalf. Children should always keep their parents' money separate from their own. Starting the conversation about finances with a parent *now* will go a long way to help ease the transition of finances to a child later.

The attorneys at Oast & Hook can assist clients with their estate, financial, insurance, long-term care, veterans' benefits, and special needs planning issues.

*Sandra Smith is an elder law attorney with Oast & Hook, and she practices in the areas of estate planning, estate and trust administration, special needs planning, asset protection planning, long-term care planning and Veterans' benefits. Ms. Smith is certified as an Elder Law Attorney (CELA) by The National Elder Law Foundation (NELF).*

#### **Ask Allie**

O&H: Allie, we've heard about the cat who was lost at John F. Kennedy Airport in New York. Please give us an update.

Allie: Sure! Jack the Cat was lost in the American Airlines baggage claim area prior to boarding a flight to California in August. His carrier had been stacked on top of the carrier containing his brother, Barry, when the carrier broke apart, allowing Jack to escape. Apparently, Jack had been roaming throughout the airport and living in ventilators since his carrier broke apart, and he was found when he fell through a ceiling tile in a Customs and Border Patrol room in Terminal 8. Jack may have used up one of his nine lives while he was missing; he's at a local veterinary hospital in critical condition because of dehydration and malnutrition. Jack appears to making progress, and his mom, Karen

Pascoe, spent this past weekend with him. American Airlines is paying for Jack's care, and it will fly Jack home with Karen (in the cabin, not the cargo hold), when he is ready to go home. I'm glad Jack was finally found, and I hope he feels better and can go home soon. I'm glad my mom doesn't plan to fly me anywhere – I'm happy to just stay at home and relax in the sun . . . See you next week!

### Announcement

Oast & Hook will hold its quarterly Social Workers and Administrators Breakfast on Tuesday, November 15th, at the Hilton Garden Inn, Virginia Beach Town Center, 252 Town Center Drive, Virginia Beach, Virginia 23462. The guest speaker is M. Bradley Brickhouse, who will present "Protecting the Elderly" that will focus on the prevention and remedies of elder abuse. You will learn about different categories of elder abuse, as well as reporting, legal remedies, and prevention of elder abuse. Registration begins at 8:00 a.m., and the presentation begins at 8:30 a.m. Questions will be answered from 9:30 a.m. to 10:00 a.m. The breakfast is designed to be an educational opportunity for area professionals who work with seniors, the disabled, and their families. Seats are limited, so please register early for this breakfast by phoning Darcee Hale at 757-399-7506.

### Distribution of This Newsletter

Oast & Hook encourages you to share this newsletter with anyone who is interested in issues pertaining to the elderly, the disabled, and their advocates. The information in this newsletter may be copied and distributed, without charge and without permission, but with appropriate citation to Oast & Hook, P.C. If you are interested in a free subscription to the *Oast & Hook News*, then please e-mail us at [mail@oasthook.com](mailto:mail@oasthook.com), telephone us at 757-399-7506, or fax us at 757-397-1267.

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