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Decisions of a lifetime

Vital conversations have to take place with aging parents

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There comes a time in every family where discussions should take place about the financial and insurance needs of aging parents. It's not simply about covering the financial bases. There are also decisions to be made about their care and comfort.

From financial planning and housing options to insurance and estates, it pays to have these conversations early when aging individuals are in a position to make decisions for themselves. All too often, these decisions are forced upon families when a parent faces unexpected health issues, the loss of a spouse or mobility restrictions.

Housing can be an especially difficult and emotional topic. In many cases, a parent's wishes might not be realistic, especially if there are incapacity issues.

Audrey Miller, founder and managing director of Elder Caring Inc., a national consulting company, says the issues people face are universal regardless of their means. "It all begins with a conversation. The family needs to understand what the options are and what they cost in order to make informed decisions."

The conversation should revolve around what Miller calls the "three Cs": care, cost and choices. Under care, children and their parents should be considering the level of support needed, their medical condition and treatment requirements as they age. "You have to consider their future as well as their current needs, and whether those will increase."

In the second category, it's important to get a baseline of monthly costs. If the parent needs to be in a retirement home, for example, does it charge an incremental fee for care services over and above food and lodging? What are the additional costs of hiring a nurse, personal support worker, therapist or special equipment? Miller advises people to document all current monthly expenses so the costs can be compared in a meaningful way with other

options.

One of the most important considerations is choice. Whether parents are downsizing from a home to a condo or have to transfer into a retirement residence or extended care facility, there are a number of questions to ask. Do they prefer a certain location or have specific cultural ties? How important is it that they be close to family, friends, local churches and other community services? Availability of public transportation is also an important factor. Sometimes it can be something as simple as finding a place that allows them to keep a pet.

"Maybe your parent doesn't need to move today," Miller says. "Hopefully you can take the time to make decisions before a crisis occurs and the home is no longer safe. Getting involved beforehand will ensure you can live as well as you possibly can, and can get a clear picture of what your needs are going to be down the road."

Another important but potentially difficult discussion revolves around estate planning. Leanne Kaufman, vice-president, professional practice group for RBC Wealth Management, says when trying to put things in order, one of the most important things to consider is a power of attorney. "It's best to start the conversation to understand what your parent's expectations are and how their wishes will be carried out. In other words, what happens if and when they're not able to make decisions for themselves?" When it comes to the estate, it is especially important to consider the role the children will play in managing it, and if they have the time and energy to do it, she notes. "Are they able to do what the parents are asking, and frankly, do they want to? A lot of children are still looking after their own young children as their parents age. Many don't realize the time commitment and complexity involved in managing an estate. People believe it to be an honour ... until they have to do it."

It's also best to address expectations where there are multiple children involved. "You might assume they can all act jointly, but if they can't get along, or they live in different countries, making joint decisions could be extremely challenging," Kaufman says. "Taking an egalitarian approach is not always the best thing to do."

Where there is the possibility of conflict, logistical complications, or lack of immediate or extended family members, there is the option of appointing a corporate trustee or executor.

There are several scenarios that can be arranged, from children having partial involvement in decision making to a professional stepping in to handle all the administrative needs.