

Failing yourself and loved ones if dementia strikes

By Linda T. Cammuso

Failing to do an estate plan touches lives in ways that we often fail to imagine. So many people drag their feet when it comes to taking action to secure their futures and the results are often painful for them and for their families. We've often pondered why people procrastinate and discussed many reasons in our recent newsletter. I'd like to add another: denial.

Denial can be particularly prevalent for people faced with a diagnosis involving cognitive decline, if for no other reason than that they cannot yet confront what their futures may hold as they age. Sadly, statistics indicate that dementia is on the rise, with some figures indicating that dementia will affect one in eight baby boomers after they reach age 65. We all know of friends, colleagues, neighbors and relatives who have dementia



or are caring for an affected loved one. For these individuals and their families, delaying action is a grave mistake.

People who receive a dementia diagnosis should deal with legal, financial and personal issues immediately, while they are still competent and able to meaningfully direct their own decisions. Failure to act could result in lost assets, lost estate planning opportunities and loss of autonomy over one's future.

If you are dealing with dementia, consider taking two steps to immediately help overcome future legal and financial obstacles: Tell your family — or at least key family members who will be involved with your legal and financial affairs, and put estate planning at the top of your to-do list.

As emotional as the family meeting might be, it is necessary to discuss your wishes about medical care, who you want to manage your financial affairs when you can no longer

do so, and end-of-life issues. Keep in mind that while dementia usually does not mean that you are in immediate danger of passing away, your days of meaningfully participating in decisions may be numbered. Talking to loved ones about your future while you are still able is critically important. If you feel that family dynamics might interfere with the discussion, your attorney may be able to help.

Step two involves scheduling an appointment with an attorney who specializes in estate planning and elder law. Some of the items you discussed with your family will also come into play when you meet with the attorney. Be prepared to discuss substitute decision making, such as who will make medical and financial decisions for you when you can no longer do so; options for managing your assets during your life; the disposition of your assets upon your death; and long-term care options for financing health care costs.

Overall, delaying your estate plan can have serious unintended consequences including

unnecessary taxes, loss of assets to creditors and nursing homes and incorrect disposition of assets among your intended beneficiaries. The possibility of future nursing home care could also make it difficult to do lifetime gifting without running afoul of the Medicaid five-year look back.

On the personal side, life and death decisions could end up in the hands of a stranger or family member you'd rather not have involved.

Creating your estate plan will have another important benefit: peace-of-mind, both for you and your loved ones. Don't procrastinate.

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