



The Pathfinder Guide

A handbook for elder-care planning

WESTPOINT
PRIVATE CLIENT GROUP

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WestPoint Private Client Group provides a unique level of planning for entrepreneurs, business leaders and family units. Through a highly focused discovery process, our unique method of planning brings a new level of clarity to help accomplish goals through the effective care of financial resources.

The Pathfinder Guide

It has been said that life is a journey and not a destination and that we should all enjoy the journey. When we stop to look around, we know there are people that we care about who are a little farther along in their journey and may need some assistance in continuing to plan along that pathway.

Sometimes there is an “event” that causes renewed interest in getting a plan in place, in other instances you as a caregiver are noticing some physical, emotional or mental changes. The Pathfinder Guide is designed for discussing elder care and addressing the many issues that come up along the way. For now you may just be thinking about a plan and no action is necessary. For others, it might mean that there is a need for help in paying bills, transportation to medical appointments, nursing care arrangements or estate administration.

Even if you are several years away from providing this kind of assistance, there are things you can do now to make it easier for the person you are caring for if you have a plan to prepare. This guide is written for those who will be providing some form of care-giving and serves only as a resource for planning. There are no specific recommendations provided regarding the care recipient; each family must do what is best for them. It is important to work with qualified accounting, financial, legal, medical and tax counsel as each option is evaluated and implemented. As a general note the pronouns “them,” “they,” or “their” are used throughout the guide and refers to the person or persons who are receiving the care.

Section One: *Initiate & Communicate*

For many families, just beginning the conversation is the most daunting part of this process. This is especially so if they are your parents or in-laws. The main thing to remember is to assure those you are caring for that you wish to help preserve their choices. If they know you are attempting to better understand their desires and wishes, you will certainly be able to make progress over time.

Some tips to help you begin:

Gather the family unit. For some families, this is easier said than done...but a decision should be made as to who will be included in the planning and decision-making process. Be honest with one another about your concerns. Discuss how each family member could assist and form a "care giving team." You may also decide to select a primary spokesperson who will be the one to keep the conversation going.

Be alert and look for signs. Pay attention to physical and mental behavior and responses of the care recipient. If you are a part of the care-giver team, and live out of town, contact their physicians, neighbors and friends to help alert you to any noticeable changes in routine or mental capacity. If you have any reason to believe there is some deterioration in their capacity, make sure and discuss it directly with the recipient of care.

Use The Pathfinder Guide. This handbook is designed with care-givers in mind, and serves as a guide for your discussions. This is a general tool; therefore some of the topics will not be relevant to your situation. Create an overall list of areas to discuss but remain flexible and sensitive, discussing one issue at a time. One good way to not offend your elderly family member or friend is to say, "I am sure you have taken care of this....., but for my sake it would help me to know what your plans and wishes are for the following area..."

Establish rules of engagement. If you are going to become a care-giver you may know better than anyone else what your family or friend may need. Even so, as long as the person you are caring for retains their full mental capacity, they will know their own needs the best. Be committed to honest and open dialogue and disagree where needed. Look for changes in your loved one's emotions or other cues as to how receptive they might be to your assistance.

Share real-life stories. It can be useful to start the conversation by talking about your own plans or share a story about someone you know who is in a similar situation. Use this conversation as a transition to ask them what their thoughts and wishes are for their own situation.

Start at the beginning. As you and other family members work through the decision of how much to help, begin by suggesting assistance with routine areas. Look for ways to promote this as relationship time with a grandchild or other person who would enjoy “going with you to the store, or doctor, etc.” Sometimes it is easier on their pride to have a person they enjoy spending time with accompany them rather than a professional care-giver. At some point in the future it may become necessary to employ individuals to care for them.

Consider your options. Explain the variety of ways you can support the person for whom you are caring. Set the stage for support, so that they will find it easier to ask for help when the time comes. Ask them who they would like as a part of their “assistance network,” people from their clubs, church or neighborhood. Just remind them the reason you are asking... because you want to know what makes them most comfortable and at ease.

What is the initial plan? Be sure to write down all things in which they might need assistance. Give them a written copy of your discussion and refer to that if they question you. Make sure you let other family members know how they can help as well. Don’t overwhelm that person with offers to help, let them take some initiative for the plan.

What if they refuse? If you have reached an impasse and cannot get them to agree to any kind of plan, consider looking to a third-party for help. They may have a physician or another trusted advisor who might be willing to attend a meeting or suggest a plan. If you think this is the right path for you, get their agreement ahead of time.

Make it happen. They may not tell you, but it may be a big relief to know that someone is going to start helping them in some new ways. If this is a “trust” issue, don’t let them down... do what you’ve promised. After you have reached consensus continue to communicate with others in the family about what decisions have been made.

Section Two: *Gather & Evaluate*

Organizing an estate

By spending time now to organize financial, legal and tax documents and care instructions, you are ensuring the person you are caring for will have their wishes carried out. Many individuals do not want to discuss their estate because they don't like talking about their own death. An easier way to bring up the subject is to remind them that state and federal laws are always changing and it would be a good idea to consider reviewing their plan to make sure it is current. Keep in mind you should always consult professional advisors who are trained and licensed in their appropriate areas of expertise. The following is a list and description of some of the arrangements individuals may have completed. It is not exhaustive and no specific suggestions are being made within this guide. This list is only a general resource.

When reviewing arrangements...consider the following:

Wills: Wills determine what happens to money and possessions and who becomes the guardian of minor children. A review is warranted if life changes occur such as marriage, divorce, adoption, inheritance, or relocation to another state.

Living Wills: A document which enables a person to declare his or her wishes in advance concerning the use of life-sustaining procedures in the event of a terminal illness, injury or incompetence.

Advanced Medical Directives: Sometimes referred to as a "health-care proxy" this document stipulates specific directions about future medical care. This can be used when an individual is concerned about life-prolonging measures when there is little or no chance of recovery. An example of this is a "do not resuscitate" order or DNR.

Durable Powers of Attorney: Some families feel it is a good idea to have separate documents for legal matters and healthcare decisions. This document will articulate who will make decisions for the individual if they are unable. Important note: "Power of Attorney" documents are prepared by an attorney under state laws and should be reviewed about every five years.

Trusts: Trusts are generally used by individuals and families as a legal instrument that can hold property or other assets for the beneficiaries. Individuals and families may use a trust to have some control over how heirs will use assets. In some cases trusts may allow an estate to avoid probate (the time a court holds the deceased person's settlement) and perhaps reduce federal estate taxes.

Business Assets Transfer: If the person you are caring for is a business owner, the underlying business assets may already be in a predetermined state. Sometimes there may be a succession plan in place that may or may not include the obvious choices of transfer to family members. It is important to know what that transfer plan is and what documents are in place to govern the transfer.

Other possible instructions...

Letters of Instruction: The person you are caring for may use a letter of instruction to specify funeral wishes, people to contact, and the location of important papers such as wills, tax returns, insurance policies, passwords, PIN numbers and other key papers.

Final Plans and Funeral Arrangements: It is important to learn if the person you are caring for has any pre-planned final arrangements. Pre-arrangements have the potential to relieve a great deal of stress at a difficult time and can help control the ultimate cost of a funeral, burial and other final arrangements. This is another area that many people simply do not want to discuss. Look for opportunities to ask about their wishes and document them.

Financial Advisor: Many people have established a long-term relationship with a financial planner who has become a very trusted advisor. A qualified financial advisor is an important member of anyone's planning team. If you do not feel the person you are caring for is being well served, or does not have a professional advisor, seek one out. Financial advisors plan for the accumulation as well as distribution of assets and assist with important decisions throughout the earning and retirement years.

Tax Consultant/Accounting Advisor: The same is true for individuals in regard to annual and estate tax matters as well as determining steps necessary to minimize or eliminate the impact of federal or state taxes on the ultimate disposition of assets. If the recipient of care has worked with the same tax advisor, that person may also be aware of additional instructions regarding their financial plans.

Legal Advisor: It is important to know if there has been or will be a legal professional working with you to define and protect the rights and holdings of the individual. At some point it will be important to make sure that each component of a financial and estate plan has been finalized from a legal perspective. Many times individuals have talked with legal counsel about their plans, but may or may not have signed the required legal documents. One of the most important items to finalize is the "beneficiary designations." This is especially important if there has been a change in situation or family structure such as a death or divorce. It is important to keep legal documents current.

“The 85+ population is projected to triple from 5.9 million in 2012 to 14.1 million in 2040.”

Source: Department of Health & Human Services Administration Aging
(http://www.aoa.acl.gov/Aging_Statistics/Profile/2013)

The following list is a sample of the type of professionals who may be helpful in giving advice and direction. It is very important for care-givers to know who they are and how to contact them in the event of sickness, disability or death.

Key Advisor Contacts

Financial Advisor

Contact Name: _____

Company Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

Tax Consultant or Accounting Advisor

Contact Name: _____

Company Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

Investment Advisor/Broker

Contact Name: _____

Company Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

Attorney

Contact Name: _____

Company Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

Funeral Director

Contact Name: _____

Company Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

“The typical family care-giver is a 49 year old woman who is married and employed. The average care recipient is female (65%) and 69 years of age. Approximately 60% of family care-givers are women. More than 28 percent have children or grandchildren under 18 years old living with them.”

Source: Caregiving in the United States.
(<http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-us-executive-summary-june.pdf>)

Section Three: *Review & Revise*

Learn about their benefits and risk management

Insurance policies and retirement plans can help provide family members with financial security in the years ahead. It's important that all documents contain current information. Review all in-force benefits and policies.

Life Insurance Policies: Review a policy's ownership, beneficiaries and coverage amount every few years and after life events to ensure the policies are still in force or whether they are facing a lapse period or end of coverage. Obtain a clear understanding of the types of policies they have and when the policies were last reviewed.

Health/Medical Insurance Policies: Ask them if they have health insurance and record the type of policies they own.

There are four topics that should be considered to help protect assets:

- Long-term care planning can help you prepare for the cost associated with long-term care.
- Medicare supplement insurance helps pay some of the costs that Medicare does not pay.
- Major medical insurance helps pay the rising costs of medical care.
- Disability income insurance helps pay living expenses when illness or injury affects employment income up to certain ages.

Auto/Property Insurance Policies: Most policies include liability coverage, and all policies should be adjusted as needed to ensure an adequate amount of coverage. For example: property insurance may be adjusted if building costs change significantly; auto coverage should be modified if the person stops driving.

Challenges of retirement: “Projected population of people 65 and older in 2060 is 92 million. People in this age group would comprise just over one in five U.S. residents at that time. Of this number, 18.2 million would be 85 or older”.

Source : United States Census Bureau.
(<http://www.census.gov/newsroom/facts-for-features/2014/cb14-ff07.html>)

Record of Policy Information for: _____

Life Insurance Policies

Date Reviewed: _____

Types of Policies: _____

Carrier: _____

Beneficiary Designation: _____

Health/Medical Insurance Policies

Date Reviewed: _____

Types of Policies: _____

Carrier: _____

Auto/Property Insurance Policies

Date Reviewed: _____

Types of Policies: _____

Carrier: _____

Online Access/Password Information

Email Accounts

Email Address: _____ Email Address: _____

Name of Email Provider: _____ Name of Email Provider: _____

Website Address: _____ Website Address: _____

Username: _____ Username: _____

Social Networking Information

Facebook Twitter MySpace LinkedIn Other (specify)

Name of Social Network: _____ Name of Social Network: _____

Username: _____ Username: _____

Review their retirement plans...

Pension Plans: The recipient of care may have several pension plans with different benefits, payout schedules, and beneficiary designations. They may ask you to help obtain benefits for them. If possible, note the types of plan, sponsors, and locations of all documents.

IRA/401(k)/Annuities/Other Retirement Plans: The retirement accounts may be a key source of income for their daily living expenses. With their consent, note all pertinent information about each plan they participate in so you can help them access the benefits and verify the beneficiary status.

Military Retirement Plans: Military retirement can involve a variety of different benefits. All plans should be updated if any personal information changes. With consent, record information about their plans so you will know how to help them obtain the benefits, if necessary.

Record Plan Information

Pension Plans

Date Reviewed: _____

Types of Plans/Sponsors: _____

Benefit Amount/Duration: _____

Beneficiary Designation: _____

IRA/401(k)/Annuities/Retirement Plans

Date Reviewed: _____

Types of Plans/Sponsors: _____

Benefit Amount/Duration: _____

Beneficiary Designation: _____

Military Retirement Plans

Date Reviewed: _____

Types of Plans/Sponsors: _____

Benefit Amount/Duration: _____

Beneficiary Designation: _____

Non-qualified Accounts/Taxable Accounts (Stocks, Bonds, Mutual Funds, other public or private securities)

Date Reviewed: _____

Types of Plans/Sponsors: _____

Benefit Amount/Duration: _____

Beneficiary Designation: _____

After-60 Financial Timeline

Caregivers should become familiar with these documents and contracts, including the terms and options, that support these financial elements as soon as possible. The caregiver should not wait until a contract obligation date to determine the best option. Understanding the options early on is to the benefit of the recipient.

<i>If they are age...</i>	<i>Then it might be time to...</i>
60 (if surviving spouse and not remarried)	* Begin collecting spouse's Social Security benefits.
62	* Begin collecting Social Security benefits, but starting this early reduces monthly benefit by 20 percent.
65-67	* Start collecting full Social Security benefits. Take advantage of Medicare eligibility.
70 ½	* Start taking required minimum distributions on the next April 1st from Traditional IRAs and most employer-sponsored qualified retirement plans. (Roth IRAs are not subject to required minimum withdrawals during the owner's lifetime.) If money is rolled over from a retirement plan to an IRA, minimum distributions from the plan to an IRA, minimum distributions from the plan must be taken before the rollover is completed.
85-95	*Be aware that annuity contracts often require withdrawal or annuitization at a specific age.

* If you have any questions about potential tax implications, seek qualified tax and legal counsel before making any decisions.

Section Four: *Implement*

Ask them who they rely on...

Family Members:

Contact Name: _____

Phone Number: _____

Friends/Neighbors:

Contact Name: _____

Phone Number: _____

Physicians & Other Medical Professionals

(Primary Care Physician, Dentist, Eye Doctor, Specialist such as an oncologist, podiatrist, etc.):

Contact Name: _____

Phone Number: _____

Dentist:

Contact Name: _____

Phone Number: _____

Pharmacy:

Contact Name: _____

Phone Number: _____

Veterinarian:

Contact Name: _____

Phone Number: _____

Faith Based Organizations:

Contact Name: _____

Phone Number: _____

Utilities (Gas, Electric, Phone):

Contact Name: _____

Phone Number: _____

Section Five: *Considering a Move*

Things to think about

Moving is always stressful. If there is a potential move, be sure to discuss relocation concerns with them and other family members and clarify your role in assisting them.

If you are faced with helping them move unexpectedly, you may be required to pay to move items or clean and repair their current residence. A jointly owned emergency fund can provide quick access to money as needed.

If the recipient of care is moving to a new community, the local newspapers and Chamber of Commerce can provide information, and a local realtor may have a “welcome kit” with phone numbers of helpful resources. In addition, there are also moving services designed specifically for seniors in transition, that assist with downsizing, packing and moving to their new location.

Are they driving safely?

If they are moving to an unfamiliar area, they may drive less frequently and their driving skills may decline. Challenging someone’s driving ability can be an emotional discussion. Be alert for changes in response time, vision, or hearing to help determine if they should alter their driving habits or stop driving altogether. You should express your concerns directly with them and other family members who may be involved with this decision. If necessary, talk to their physicians and others they respect, such as clergy and friends. Encourage them to avoid driving on busy roads or at night and to rely on public transportation. If they cannot drive safely, you may need to enlist the assistance from others to help them understand their limitations.

“On average, caregivers spend 24.4 hours a week providing care to their loved one. Nearly one-quarter provide 41 or more hours of care a week (23%). Caregiving is particularly time-intensive for those caring for a spouse/partner (44.6 hours a week).”

Source: Caregiving in the United States.
(<http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-us-executive-summary-june.pdf>)

When they live far away

Often times, families live far apart, making it difficult to communicate about care-giving issues. As they age, the distance between you can make it difficult to be there when needed.

Here are some tips for long-distance care-giving:

- Call or visit them and use this guide as an outline to discuss their needs.
- Keep copies of their important papers, contact information, and the Yellow Pages that serve your parents' community. Make a note of senior resources in their area.
- Have a back-up plan to provide emergency care in case you are not available, and ask nearby friends or relatives to check on them regularly.
- Set aside money for emergencies.
- Consider an emergency monitoring device so they can alert a designated person or authority to assist them if necessary.
- If the person you are caring for experiences difficulty with mobility or has a permanent medical condition, you may want to consider the benefits of home security or an electronic home monitor with a panic feature. It may be necessary to begin a 24 hour-a-day monitoring for medical emergencies as well as fire and burglary.

The nearly 40 million Americans who provide unpaid care to an adult are an extension of, and partner with, our formal health care and long-term services and supports (LTSS) systems. One third of caregivers (32%) say a health care provider, such as a doctor, nurse, or social worker, has asked about what was needed to care for their recipient. Half as many caregivers say a health care provider has asked what they need to take care of themselves (16%).

Source: Caregiving in the United States.
(<http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-us-executive-summary-june.pdf>)

Section Six: Resources & Glossary of Terms

Related Agency and Elder Care Listings

Center for Caregiver Training		www.caregiving101.org
Center for Medicare and Medicaid Services	877.267.2323	www.cms.hhs.gov
Family Caregiver Alliance		www.caregiver.org
Medicare.....	800.633.4227	www.medicare.gov
Social Security Administration	800.772.1213	www.ssa.gov

Glossary of Terms

AAA (Area Agencies on Aging): These local non-profit agencies answer consumer questions regarding benefits provided to aging and elderly persons. In Indiana, they are responsible for all federal and state funding for community and in-home long-term care services.

Activities of Daily Living (ADLs): Those things people need to do in order to live independently in their home. These skills can include: dressing, bathing, using the toilet, getting out of bed, eating and taking medicine. ADLs are often used to determine when one can get benefits from long-term care insurance.

Benefit Maximum: The limit a health insurance policy will pay for a certain loss or covered service. The benefit can be expressed as (1) length of time (example: 2 years); (2) dollar amount (example: \$50,000); (3) percentage of actual cost. The benefits may be paid to the policy holder or to a third party. This may refer to a specific illness, a specific time frame, or throughout the life of the policy.

Benefit Period (or Duration of Benefits): This time period marks the time frame (or maximum amount of money) in which a policy will pay benefits.

Benefit Trigger (or Insured Event): The circumstances under which benefits will begin to be paid, such as, deficiencies in two (2) or more ADLs, cognitive impairment or complex unstable medical conditions.

CHOICE (Community and Home Options to Institutional Care for the Elderly and Disabled): One of Indiana's in-home services programs that is administered by the sixteen Area Agencies on Aging.

Family Medical Leave Act (FMLA): Allows eligible employees who work for a company with 50 or more employees and are caring for a spouse, parent or child with a serious health condition to take leave from work. For example, those caring for an elderly parent may be eligible to take off 12 work weeks without pay during any 12-month period to care for that parent. Situations do vary, you must check with your company's benefits administrator to see if this benefit is available to you.

Medicaid: A federal and state funded health care financing program available to persons who meet income and other eligibility criteria. Medicaid covers skilled or intermediate care in a nursing home and some home and community care services.

Medicare: A federally funded health insurance program that is available to persons age 65 and over or younger persons who meet eligibility criteria due to handicapping conditions.

Medicare Supplement Insurance: A policy that at a minimum covers co-payments and deductibles for Medicare. It can also go beyond and provide additional coverage for areas that Medicare does not cover - also referred to as "medigap" coverage.

Section Seven: *Action Items*

Use this section to create an action plan for possible next steps. Select key areas (financial planning, tax planning, estate strategies, housing, healthcare, etc.) target dates, and expected results.

1. *Key Area:* _____

Action Item: _____

Target Date: _____

Primary Contact: _____

2. *Key Area:* _____

Action Item: _____

Target Date: _____

Primary Contact: _____

3. *Key Area:* _____

Action Item: _____

Target Date: _____

Primary Contact: _____

4. *Key Area:* _____

Action Item: _____

Target Date: _____

Primary Contact: _____

5. *Key Area:* _____

Action Item: _____

Target Date: _____

Primary Contact: _____

Conclusion

The Pathfinder Guide is provided to individuals and families as a service to highlight important areas in elder-care planning. It is never too early to start the process of planning for those for whom you are caring. Even if you think it will be many years before this type of care is necessary, the more informed you are in advance, the smoother the transition will be for everyone involved. It is also vitally important that if you have any questions about the legality of a plan, or the financial soundness of a plan, that you contact a qualified professional in your area.

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For more information, please contact us at:

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