Who will handle your financial affairs if your mind goes?

If we live long enough, it’s normal to experience declining facilities.

Small routine tasks like navigating online bill payments may turn challenging.

Or managing passwords.

And this might happen sometime after we can’t keep up with Medicare drug plan selections or making changes to an investment account.

If you have a partner or spouse, I encourage you to let them know as soon as you begin to sense ‘something is off’.

Let them step in and give them a chance to take the financial reigns.

If you don’t have a significant other, consider a child, relative or friend you trust completely.

You can name a person to have co-pilot capacities either through a power-of-attorney (POA) agreement or a trust.

In a POA agreement you name an agent who can handle your affairs.

Note that you’re still in charge. You’ve simply named another person to have authority with you.

If you set up a trust, you name successor trustees to take over in case you, according to a medical professional, are unable to make proper financial decisions.

Note the difference between a POA and a trust. In the POA, you are in control even after you may no longer be mentally able whereas in a trust agreement, you may set it up, so you cannot make decisions while you’re unable.

A fine difference? Maybe, until you start doling out money to any stranger who befriends you.

Then, the ability of your trust to take you out of the decision-making process may protect you from yourself.

As you assess your financial setup, make sure you have backup people in place, just in case you’re unable to handle your own affairs.

Good luck.

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