



MAKING CENTS

GET YOUR FINANCES IN ORDER NOW

-John P. Napolitano, CFP®, CPA, PFS, MST, RLP®



The sad truth is that sometimes people don't get their finances in order until they're on the receiving end of bad health news - and once they're diagnosed with a serious illness, some folks don't even want to address money matters.

For those of you with a serious illness or with family members dealing with a serious illness, there are certain financial matters that should be taken care of as soon as possible.

Your estate plan should be reviewed and updated. A sound estate plan will consist of several elements, but first and foremost it should include a relevant will. It should also include a living will that spells out your wishes regarding the use of life-sustaining measures. The estate plan should also include a durable power of attorney for health care. This allows you to appoint someone to make decisions about your medical treatment.

A general durable power of attorney allows you to appoint someone to manage your financial affairs and any other affairs that may need tending to. Many financial institutions will only accept a durable power if it is current, within one year. You should be sure to make copies of all relevant documents. You may also want to meet with a financial adviser

or estate planning attorney to address the possibility of setting up trusts for your surviving loved ones.

This is not the time to rely on what you executed years ago. Laws have changed, particularly in states such as Massachusetts that have de-coupled their death tax laws with the estate tax laws imposed by the IRS. Be sure to only deal with lawyers who specialize in estate planning.

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Also, you should review the designated beneficiaries on your investments, retirement plans, life insurance policies and annuities as the designa-

tions on these documents supersede will instructions. And take a close look at title registrations on your assets to make certain they meet your needs and also to ensure that property will be passed to your beneficiaries in a tax-efficient way.

Of course, it's difficult to focus on matters of finance during times of grave illness. The knowledge and assistance of a professional adviser is highly recommended to guide you through this process. It is my sincere hope that you will feel better knowing that the proper financial strategies are in place for you and your loved ones.

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