



FINANCIAL SERVICES
FOR THE GREATER GOOD®

Important Conversations to Have With Your Parents

If you're an adult with elderly parents, here are some important issues to discuss with them to make planning for their future easier.

Are your parents getting on in years? Do you worry about taking care of them? If so, speak with your parents about the important financial, estate planning and medical issues they may face in the future. In your discussion, find the answers to the following questions:

Do you have up-to-date information about your parents' financial advisors? Who are their attorneys, accountants, financial planners and other advisors? Get a list of their names, phone numbers and street and email addresses.

Do your parents have wills? A will can do several things for your parents, including: pass their assets on to whom they choose; name an executor(trix) to administer their estate; and, when relevant, help them execute various estate tax strategies. Note that if your parents don't have wills, the local probate court will appoint an administrator to distribute their estate according to state law.

Encourage your parents to double-check their beneficiary designations. Make sure these designations are up-to-date. Life insurance policies, retirement plans, annuities and other investments pass to the beneficiaries named in the contract — even if the owner's will names someone else.

Ask your parents to consider using durable powers of attorney. This planning tool empowers you or another designated person to act for your parents if they become incapacitated and unable to manage their financial and legal affairs. It's a good idea to have your parents check with their bank to see what form of durable powers of attorney it will accept. Banks sometimes prefer that customers use their forms, which can be much easier to use than trying to get the bank to accept one prepared by someone else. The name of the form and the use of this planning device vary from state to state. Other common names for this form are a *health care proxy*, which is a durable medical power of attorney, and *living will*. A health care proxy is the equivalent of a durable power of attorney but it is used for health care decisions only.

Depending on the state your parents live in, a health care proxy will allow them to name someone to make health care decisions in case they become mentally and physically incapacitated. A health care proxy also allows your parents to choose, in advance, which life support procedures they want to have administered or withheld.

Do your parents have long-term care insurance? If they don't, help them look into whether this type of insurance might be a cost-effective way to cover potential long-term care expenses later in life. Depending on their age and level of health, long-term care insurance can help your parents pay for long-term care services, protect their assets, minimize their dependence on family members, and control how and where they receive extended care services. Long-term care insurance can pay for home care, hospice care, nursing home care and care received in assisted-living facilities. You might want to consider long-term care insurance for yourself as well.

Discuss long-term housing preferences with your parents. Retirees have more housing choices than ever before. Address your parents' living preferences by finding answers to questions such as: Do your parents want to live in their own home, or do they plan to live with other family members? Are your parents interested in a retirement community and can they afford to live in one? Would a continuing care retirement community be more appropriate for their needs?

Discuss your parents' final arrangements. This is perhaps the hardest conversation of all, but planning now can save a lot of heartache down the road. Tell your parents to make detailed, written instructions about their funeral and burial preferences. It's generally best not to make these instructions part of their wills, because the will won't be read until well after the date of death. If your parents have already chosen and paid for specific funeral arrangements or burial plots, make sure they leave instructions and the appropriate papers (deeds for plots) for these, too.

Organize Your Parents' Records

Talk to your parents about their finances. It's particularly important for you to know where they keep their financial records and documents. Here is a list of files to keep:

- **Income and assets**, including pension funds, annuities, stock and bond holdings, mutual funds, real estate and trust accounts.

- **Bank accounts**, including records for their savings, checking, credit union and cash management accounts.

- **Insurance plans**, including personal and group life, property and casualty, disability, health, long-term care and business insurance. Know where the policies are located and the names of the agents or other contact people for these policies.

- **Health insurance.** Keep health insurance plan information in an accessible place. Your parents' coverage may include employer-provided insurance and Medicare and Medigap plans.

- **Social Security information.**

- **Safe deposit box.** If your parents have one, make sure you know where it is, the rules for accessing it and the location of the key.

- **Tax records.** These should include previous returns and the name of the accountants or tax specialists who prepared them.

- **Loans and debts**, including mortgages, credit cards and other liabilities.

- **Physician information**, including their names, phone numbers, and street and email addresses. Post an emergency contact list in a prominent place in your parents' home that provides the names of their doctors, their doctors' hospital affiliations, and the names of relatives and friends who can be contacted in an emergency.

- **Medications**, including those prescribed by a physician and those purchased over the counter.

Talking to your parents about these issues can be tough emotionally. But helping them deal with these issues now can generate peace of mind for you and your parents.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc. distribute securities products.

© 2007 Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), 730 Third Avenue, New York, NY 10017.

C38303