

# The Future Is Now

Financial and estate planning for people with neurologic conditions.

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**N**obody can afford to ignore financial and estate planning—budgeting and saving, retirement planning, choosing life insurance, creating a will—no matter their income. People with chronic illnesses are especially vulnerable to the consequences of poor planning. (See box, “Major Financial and Estate Planning Steps.”)

Financial and estate plans should reflect a person’s circumstances, which include his or her income and health. If you are living with a neurologic condition, your plans should be tailored not only to that condition but also to your individual experience of it. This might include how long you have been living with the condition, your overall health and outlook, the cost of care, and how fast the condition is progressing. My wife, Patti Klein, has multiple sclerosis (MS). Her experience of MS is different from any other person’s with the condition because everyone is unique—and so are her financial and estate planning steps.

My first and probably most underrated piece of advice: Don’t assume that standard legal documents take neurologic conditions into account.

And if you are able to hire an accountant or attorney, don’t assume he or she will know you have a neurologic condition or understand its impact on your life and plans. Be proactive and explain the situation to any professionals you work with, and request any accommodations that might make your meetings more productive.

## TAILORING YOUR PLANS

Neurologic conditions can result in a wide range of physical and cognitive symptoms. In my experience as a financial and estate planner for people with chronic health problems—and as the spouse of someone with MS—I have noticed that some symptoms can have a significant impact on a client’s life but not on his or her financial and estate plans. Other symptoms may have a significant—sometimes unexpected—impact on a person’s plans.



**PART I**  
First in a series of  
articles on financial and  
estate planning

**Alzheimer’s Disease/Dementia.** In the early stages of a diagnosis of Alzheimer’s disease (AD), a person may have no problems signing legal documents or handling finances. However, AD can progress quickly. A person with dementia might still be able to sign a will a year after diagnosis. But that person may not be able to sign other important planning documents, such as a revocable (See box, “Key Estate-Planning Documents.”)

The best advice is to act now. A person with dementia should put legal safeguards in place as soon as possible to minimize the likelihood of financial abuse in the future as his or her abilities decline. In addition to forgetting to pay bills, a person with dementia can be vulnerable to strangers or unscrupulous family members who may attempt to wrest control of property or withdraw money from bank accounts.

One way to prevent financial oversights and abuse is to have a certified public accountant (CPA) or a trusted family member—but not the person named as the agent under power of attorney—receive duplicate copies of all monthly bank and brokerage statements. A CPA or trusted family member who reviews financial statements can catch problems and serve as an important check and balance on the agent.

**Multiple Sclerosis (MS).** For many people living with MS, the potential for an exacerbation is a significant concern. If you have a revocable trust to manage your assets in case of future exacerbations or disability, have your attorney carefully review the provisions naming you as trustee (or co-trustee, when you serve with another person).

Most revocable trusts state that if you are disabled, you will be removed as a trustee. For example, if you experience an exacerbation and cannot handle financial matters for several weeks, most revocable trusts would remove you as a trustee. But if the symptoms subside a few days or weeks later and you are fully able to handle your financial affairs, you would have to be reappointed as a trustee of your own trust!

This can be avoided by making sure the trust states you will not be deemed disabled unless you

**MAJOR FINANCIAL AND ESTATE PLANNING STEPS**

- ▶ **First, create a budget, which is a list of your estimated income (such as salary, dividends, and pension payments) and your estimated expenditures (such as food and rent). Your budget needs to consider how long you intend to work and what will happen in the event you stop early. If you have to renovate your home to accommodate a disability, what impact will that have on your finances? Carefully thinking through these “what-ifs” will help keep you on track financially.**
- ▶ **Next, consider devising a savings and investment plan. How much risk you take on will depend on how much money you need to earn to meet the goals in your budget.**
- ▶ **Regularly review and revise your financial plan, which is comprised of the budget and savings/investment plan.**
- ▶ **Based on your financial plan, create an estate plan, which includes a will and gifts. For example, if your financial plan shows that you will have modest resources left over, then you should be cautious about making gifts now.**
- ▶ **Review all insurance coverage, including property, liability, disability, and life. Each form of coverage requires its own considerations. For example, if you have made renovations to your home, is your homeowners insurance adequate? Does your liability coverage protect you if a home health aide is injured?**
- ▶ **Decide who will have ownership (title) to your assets. For example, if you have a bank account that is “pay on death” (POD), it will pass to the person named.**

cannot handle your financial affairs for more than, say, 60 days. That would avoid your removal for most or all exacerbations of MS.

**Parkinson's Disease (PD).** If you have the PD symptom known as hypomimia, explain to a lawyer or accountant that your lack of facial expression does not mean you don't understand the conversation.

Sometimes, PD can cause a person's handwriting to become cramped and tiny (micrographia). These variations in handwriting can result in a business refusing to accept your signature on a check or other legal document.

To prevent such problems, consider preparing a document that confirms you are living with PD, that micrographia is one of your symptoms, and that all of the signatures at the end of the document are yours. Include three or four different samples of

may need someone to pay bills or file a tax return.

Also, be sure the power of attorney is effective when you sign it as opposed to on a future date. In many cases, power of attorney becomes effective on some future date—specifically, when the person becomes disabled. But for a condition such as migraine, which usually does not cause long-term disability even when severe, you probably want the power of attorney to be effective upon signing.

Finally, when you make an appointment with any of your professional advisers, caution them upfront that you sporadically experience

your signature at different times to reflect most of the more significant variations. Have each one witnessed and notarized. Then, if you have a problem using your signature, you can then present the affidavit with the explanation and sample signatures.

**Migraine.** If you have severe migraines that last for days and interfere with your ability to carry out everyday tasks, consider granting someone you trust a limited power of attorney effective immediately. Most powers of attorney are general, which means they grant the agent authority to conduct almost any legal, tax, or financial transaction. You probably don't need to grant someone the authority to do anything as far-reaching as changing your IRA beneficiary, but you

severe migraines and may have to reschedule at the last minute.

**Peripheral Neuropathy.** If your peripheral neuropathy is so severe that you have limited mobility, simple steps can minimize the need to leave home to do errands. Consolidate accounts and take full advantage of online banking. Consider setting up as many bills as possible to be auto-billed to your credit card or checking account. Also, consider setting up revenue sources, such as wages and dividends, for automatic deposit.

Be certain to have a power of attorney that is effective immediately or a revocable living trust with a co-trustee, and be sure either trustee is authorized to take actions alone. That way, if you are not well enough to make a trip to the bank or a brokerage firm, for example, the co-trustee can handle the matter for you.

**Epilepsy.** Most states require people living with epilepsy to notify automobile licensing authorities of their condition. If you retain your license and drive, try to obtain the maximum personal excess liability insurance coverage (umbrella coverage). Also, discuss with your attorney steps you can take to protect your wealth from lawsuits (asset protection).

Most people with epilepsy are not cognitively disabled. Be certain that your attorney and other advisers understand this—there is considerable ignorance about what epilepsy is.

Some people become disoriented after a seizure. Because of this risk, have your neurologist document the last episode you had before you sign a legal document. This can help deflect any future challenge someone might make on the basis that you were disoriented when you signed the document. NN

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### KEY ESTATE-PLANNING DOCUMENTS

Everyone, with or without a neurologic condition, should have these documents on file—and know what they mean.

- ▶ **Power of attorney** appoints a person (agent) to handle legal, tax, and financial matters if you cannot. Most powers are durable, meaning they remain valid even if you are or become disabled. (While it's rare that you would ever want a power of attorney that is not durable, you need to be sure that the power you obtain is durable if that is your intent.)
- ▶ A **HIPAA release** authorizes a person (HIPAA representative) to access your medical records. (HIPAA stands for the Health Insurance Portability and Accountability Act, which addresses the security and privacy of health data, among other things.) This can be used to enable a family member to monitor your medical status. A HIPAA release does not necessarily delegate medical decision making to someone else.
- ▶ A **health proxy**, also called **medical power of attorney**, authorizes a person (agent) to make medical decisions if you cannot do so.
- ▶ A **living will** is a statement of your health care wishes. This can address whether you want experimental medical treatments if you are not well enough to make the decision yourself.
- ▶ A **will** names a person—called an executor or a personal representative—to handle your estate, appoint guardians for children who are minors, and distribute assets.
- ▶ A **revocable living trust** is a powerful tool for managing assets while someone is disabled. A trust is a legal agreement (a contract) between you as the grantor setting up the trust and whomever you name as trustee. The trustee might be you alone, a bank, or you and another person or a bank. When you transfer assets to the name of the trust, then the contractual arrangements you create will govern how those assets are handled for your benefit. The most important decision is how you will have assets handled if you cannot do so yourself.
- ▶ **Beneficiary designations** identify who will inherit a retirement account, life insurance policy, or other asset.
- ▶ An **investment policy statement** sets forth guidelines for how your assets should be invested.



EVERY  
:30  
MINUTES

someone is diagnosed  
with **Brain Cancer**



[CureBrainDisease.org](http://CureBrainDisease.org)