



SECURITY BENEFIT

HELPING AGING PARENTS ADAPT TO CHANGE

No matter how vibrant and independent your parents may be today, it's natural that, over time, changes in health or abilities can occur. That's why it's a good idea to have thoughtful conversations now and put a plan in place that supports their well-being and longevity. While these discussions can sometimes feel uncomfortable, setting aside time to talk openly about their resources, wishes, and hopes for the future can help ensure their needs are met and their preferences are honored.

Here are some of the things you'll want to cover in your conversation:

- ✓ Medical care costs and directives
- ✓ Income and savings
- ✓ Estate plans
- ✓ Funeral arrangements

Parents who might be struggling with their memory or decision making may need oversight with their financial affairs.

- Make sure your parent's estate is in order.
- Obtain a durable power of attorney.
- Visit with your parent about a living will and a revocable living trust.
- Make sure your parent designates a health care proxy.
- Understand the tax implications for beneficiaries.

Even though these discussions might be difficult, it's better to focus on the details now rather than making decisions in haste or in a crisis. Creating a plan that addresses physical, mental, and emotional well-being can help everyone involved better adapt to changes.

Conversations about end-of-life wishes can be difficult, but having them ahead of time can bring peace of mind for everyone involved. Knowing your parents' preferences — such as where they wish to be laid to rest and whether arrangements like a burial plot or memorial marker have been made — can ease decision-making during an emotional time and ensure their wishes are honored with care and respect.

Approach Issues Wisely

Some parents may welcome your involvement, while others may be more resistant. If their safety is at risk or they can no longer manage daily tasks or finances, it's important to step in. Otherwise, try to respect their independence and adjust your approach as needed.

Take time to understand their concerns. What about the situation feels unsettling to them? Listening with empathy can help you find solutions that balance their needs with their desire for independence.

Identify Changes in a Parent's Behavior

Here are a few key signs to look for to identify changes in a parent's behavior that could indicate potential health problems:

- Memory loss
- Wearing the same clothes
- Indifference to hygiene
- Unsteadiness that could require home safety modifications
- Changes in appetite
- Struggles with tasks like managing bill payment
- Signs of becoming uncharacteristically more frugal or philanthropic or vulnerable to fraud

Watch for Scams

The U.S. Senate's Special Committee on Aging says Americans lose about \$3 billion a year through financial scams. Several things make seniors top targets: savings and investments, medical and government service usage, and dementia. Typical scams involve technical support ruses using well-known brands to lure seniors to disclosure personal account information; sweepstakes winnings; romance ploys; and impersonators indicating a grandchild is in financial distress. Family and friends can also take advantage of senior citizens' savings.

Here are some proactive ways you can protect your parent's identity:

- Lock Social Security cards in a safety deposit box or other secure location.
- Get a free credit report from ALL three credit agencies every year at annualcreditreport.com.
- Check financial records, credit cards, and bank accounts frequently.
- Urge parents to let numbers they don't recognize go to voice mail.
- Add your parent to the Do Not Call list at DoNotCall.gov to protect against fraud.
- Register your parent at DMAChoice.org to block direct mail marketing to your parent for 10 years. (a small fee is required)
- Contact the Federal Trade Commission immediately at FTC.gov if your parent becomes a victim of identity theft.

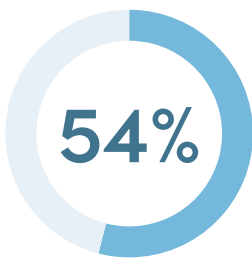
Consider Housing Options

As your parents age, it will be imperative for you to know as much as you can about their financial resources to accommodate projected housing plans. Costs vary depending on whether they stay in their home or move to an apartment, assisted living facility, or nursing home. Home care services can also be a significant expenditure, depending on a parent's particular situation.

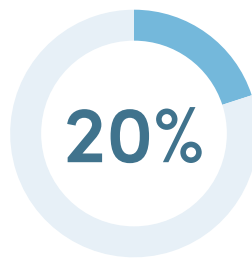
Assess Financial Implications of Taking Care of Parents¹

In some cases, adult children reduce their hours or quit their jobs to care for elderly relatives. According to a recent survey, 63% of caregivers have no plan as to how they will pay for their parents' care over the next five years. Sixty-two percent of caregivers say the cost of caring for a parent has affected their ability to plan for their own financial future. Many struggle to contribute to retirement savings or find themselves dipping into personal funds to cover unexpected caregiving expenses.

A recent AARP survey²



54% of caregivers have given **\$1,000 or more** to a parent in the last 12 months.



20% of caregivers have given **\$5,000 or more** to a parent in the last 12 months.



10 MILLION

About 10 million caregivers provide **unpaid** care to an adult with functional issues.

¹ AgingCare.com/articles/cost-of-caring-for-elderly-parents-could-be-next-financial-crisis-133369.htm

² AARP.org/research/topics/economics/info-2020/midlife-adults-providing-financial-support-to-family-members.html

Create a Checklist

A checklist can help you organize your activities for overseeing a parent's financial well-being and physical and psychological health too. A written record that includes your notes and observations also ensures the information is available for anyone who needs access.

- Gather details and keep records.
- Track down important documents you will likely need at some point.
- Create a household balance sheet and assess the financial situation of your parent:
 - All sources of income — Social Security, retirement account, pension, and employment
 - All assets — real estate, cars, etc.
 - Debts and liabilities
 - Monthly expenses

Ensure Access to These Documents

In the event a parent becomes incapacitated, having access to these documents will help ensure that financial affairs are kept in order. And in the unfortunate event of a parent's death, knowing where these documents are and having access to accounts can streamline the process of settling affairs.

- Bank account statements, including account numbers and passwords
- Investment account records including account numbers and passwords
- Credit card statements and account details
- All monthly bills (mortgage, car, utilities, internet, phone)
- At least three years of income tax returns
- Any real estate or property ownership records
- Car titles and leasing agreements
- Insurance documents
- Birth certificate, passport, and military records if applicable

Resources

- [AgingCare.com](https://www.AgingCare.com)
- [AginginPlace.org](https://www.AginginPlace.org)
- [Alzheimer's Association, alz.org](https://www.Alzheimer'sAssociation.org)
- [CareGiverStress.com](https://www.CareGiverStress.com)
- [DMAChoice.org](https://www.DMAChoice.org)
- [DoNotCall.gov](https://www.DoNotCall.gov)
- [ElderCare.gov](https://www.ElderCare.gov)
- [ElderCareDirectory.org](https://www.ElderCareDirectory.org)
- [MealsonWheelsAmerica.org](https://www.MealsonWheelsAmerica.org)
- [National Institute on Aging, NIA.NIH.gov](https://www.NationalInstituteonAging.gov)
- [PayingForSeniorCare.com](https://www.PayingForSeniorCare.com)



Take Steps to Manage Accounts

Consider adding a trusted family member to your loved one's credit card and bank accounts before the need arises. If your loved one becomes incapacitated because of illness such as stroke, dementia, or ALS, the individual with power of attorney can pay bills, make deposits and withdrawals, and monitor accounts for signs of fraud or identify theft. Only a parent who is deemed competent can transfer power of attorney to a loved one so it's best to take this step early. If you do take on management of a loved one's finances, there are three things you must do to safeguard your parent's savings and yourself:

- 1 Keep a written record of expenses.
- 2 Never ever borrow from the account. It's a crime and you could do time.
- 3 Write the reason for all checks in the memo fields.

An outside professional can assist you with money management needs. You can select a professional money-management service, a bill-payment service through an Area Agency on Aging, or a professional fiduciary (typically a certified professional accountant, attorney, or trust company officer). These types of services are especially helpful if your parent has assets that are extensive and/or complex or does not live near you.

Accommodate Impairments

Here are some things you can do to make life easier on your parent and yourself:

- Obtain a handicapped sticker to make medical appointments, errands, and social events less stressful and more enjoyable for everyone.
- Buy an inexpensive wheelchair so you can take a parent who tires easily from walking or is fearful of falling on outings.
- Buy a cane to provide a parent with more support.
- Consider grocery and meal delivery services so your parent won't have to drive to the store or cook.
- Hire a housekeeper.
- Have a home health worker visit the residence to provide tips on how to increase safety.
- Improve lighting and remove rugs to make a parent safer and avoid debilitating injuries like a broken hip that would require hospitalization and a lengthy period of rehabilitation.
- Check in with any professionals working with your parent so you have a better overall picture of your parent's health.
- Anticipate the need for respite care and hire a professional a few hours a week so that the caregiver, you or your other parent, can have scheduled time away. Sometimes just being able to anticipate a break can help a caregiver cope more effectively.



Your parents cared for you growing up and the switch to caring for a parent can be daunting and disorienting. Your parents have spent a lifetime in charge of every facet of their affairs. Creating a comprehensive plan and finding the courage to have difficult conversations early in the process can result in better outcomes for everyone.



Your path *To and Through Retirement*[®]
begins here.

Talk to your financial professional to learn more
or contact us at 800.888.2461.