

Planning Strategies to Look at in Times of COVID-19



In this new time, we have had to accept this new normal, which hopefully won't last much longer. For many of us, in our spare time, our closets have been cleaned, walls have been given a new layer of paint, and drawers have been reorganized. However, with the additional time this quarantine has provided us, why not use it to start cleaning out those estate planning documents?

Estate planning documents are the documents that state where your money goes and who makes decisions for you if you are unable.

The three estate planning documents that everyone should have, at a minimum are:

- A durable power of attorney for property
- A health care power of attorney (which includes advanced directives)
- A will

These items are going to be discussed--not in a matter of importance-but in two overarching topics: your health and your assets. I am going to start with health as it is a topic that we are all concerned with today. In the unfortunate event that you contract COVID-19, you will be isolated from family. So the time is now to finish up any unresolved planning and organization for your future.

Contact an attorney and make sure you are ready for the unexpected. Most attorney's offices are open and can make things work.

YOUR HEALTH

ADVANCED HEALTH CARE DIRECTIVE

You need an Advanced Health Care Directive. An Advanced Health Care Directive describes, in very specific detail, what type of life-saving intervention an individual would like. This document addresses concerns with treatment in a situation where there is no expectation of a patient's recovery. It is usually drafted in conjunction with a Health Care Power of Attorney, which allows doctors to communicate and take medical direction from your chosen agent.

THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

The Health Insurance Portability and Accountability act (HIPAA) is a law to protect your medical privacy. However, in times of emergency, sometimes your past medical records may be critical for treating physicians to review to help your current medical crisis. Any health care directive should include HIPAA authorization language. Once a child turns 18, you as a parent, will no longer have access to their medical records even though they may still be getting financial support from you. In your child's first 18 years, you dealt with all their medical issues; but once they are 18, you will no longer have access to their medical records because of HIPAA.



I have a daughter that is going to be going off to college hopefully in the fall. When she turns 18, she will be signing a HIPAA authorization, medical power of attorney, and a durable power of attorney. These need to be forms that are accepted in the state of the college that your child is attending. Some colleges have these forms that you need on their websites; otherwise call your attorney. If you are trying to help your child living hundreds of miles away when a medical emergency arises, having these documents signed will allow you to help your child navigate the American health care system which they most likely have never confronted on their own.

HEALTH INSURANCE

Make sure you have a list of the health insurance policies you have and, any Health Savings Account (HSA) information available for whoever you are giving the authority to take care of your health and finances if you are unable. Letting them know where this information is now would make it easier should they need to find them.

YOUR ASSETS

DURABLE POWER OF ATTORNEY

A durable power of attorney for property enables an agent that you pick to make financial and property decisions on your behalf. You need to make sure your power of attorney will stay in effect when you are mentally incapacitated (such as being put in an induced coma to go on a ventilator while suffering from COVID-19). The power of attorney allows the agent to pay bills and make decisions for you and your estate. This should be someone you have a high level of trust in.



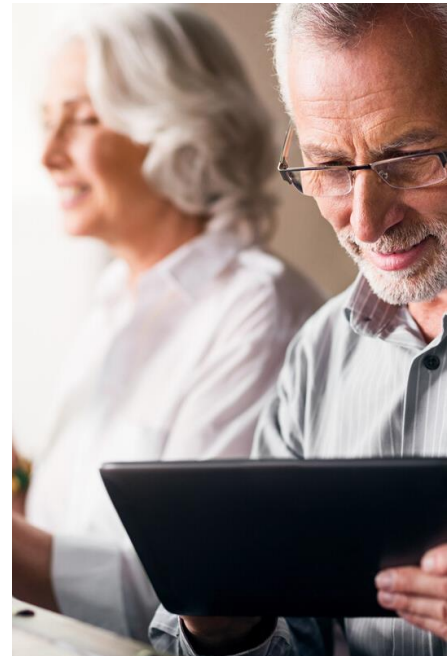
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BENEFICIARIES

Now is a good time to make sure the beneficiaries you have listed on your accounts are who you still want. Some of your assets may be transferred by your will or trust; however, other assets transfer to who you list as a beneficiary. Financial assets that are transferred this way are your life insurance policies, your IRAs, and your 401k at work. But don't forget your old 401k or small insurance policy that your parents bought for you. If you have an account with a Transfer on Death designation (TOD), don't forget those beneficiaries.

Find copies of all your statements and talk to your financial advisor to determine who those beneficiaries are, and if changes might be needed. Don't just look at primary beneficiaries, but also look at the contingent beneficiaries. If they are not listed on the statements (most likely not all of the beneficiaries are listed if any), call the company or call you advisor and have them help you with all of the accounts you may have, even those that may not be with that specific advisor.

****Note:** It is important to note that beneficiaries named in the above documents and policies, will supersede any beneficiaries of these assets as outlined in a will or revocable trust.



YOUR WILL

A WILL

A will is one of the most important documents in your estate plan. A will coordinates the distribution of your assets after death and can appoint guardians for minor children. If you would like to draw up a will or revise the one you currently have, call and/or meet with your attorney.

**Note: Don't forget your digital assets, photos, videos, etc. that you may have online.

A REVOCABLE (LIVING) TRUST

There can be many advantages of a trust, depending on your list of assets and desires for distribution of said assets upon your passing. Some simple advantages are; avoiding probate, which may be expensive, making it easier if you have real estate in multiple states; controlling the distribution of assets over time to your beneficiaries; and it may provide tax advantages. A living trust can also be used to ensure the uninterrupted use of your financial resources for your benefit, should you become incapacitated or unable to manage your financial affairs.

Consult with your attorney to determine if this may be useful in addition to your will.



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