



How to Prepare to Care for a Sick Spouse

One of the most trying situations in life may be when a spouse or loved one falls ill and a family member or significant other must assume caregiving responsibilities.

Ideally such arrangements will be temporary but couples should prepare themselves well in advance, should long-term illness occur.

At a time when people are at their most vulnerable, they are often expected to make some of the most difficult financial decisions. This is why putting a plan in place when all parties are healthy is so important. Equally important is reviewing that plan on a regular basis to make sure that any changes that occurred are reflected and it still makes sense.

All couples should have documentation in place for what to do if one spouse becomes ill and is not equipped to make decisions on their own. Lengthy illnesses are not only draining for the patient, they can also be emotionally and physically draining for caregivers.

When faced with a sudden or prolonged illness of a spouse, many people are shell-shocked. Having a list of important names, phone numbers and account passwords is one simple way to make things less stressful. Keeping that same information on file with a trusted party may help as well. If tragedy strikes, having an easy-to-access list of doctors, accountants, attorneys and investment advisors can eliminate guesswork and streamline a process.

Should the need arise, advance directives can be one way to proactively assume control. A living will allows a patient to have a say in the type of care they are willing to receive should they be unable to express their wishes. Having a living will can also help family members feel confident that the care a spouse is receiving is consistent with their wishes.

Creating a revocable trust can also be helpful to handle financial matters and to manage assets without a delay. Typically, revocable trusts name a co-trustee, who on a moment's notice can direct investment actions. A co-trustee can buy/sell securities, pay credit cards or other bills and can transfer money between trust investments and bank accounts while the grantor is sick. Should the grantor pass away, there is no need to probate the assets in the trust and deal with a surrogate court delay.

When choosing a co-trustee, it is important to choose a person who is up to the challenge. Family members may seem like an obvious first choice, but the grantor setting up the trust should make sure the person they designate is capable of making sophisticated financial decisions in a time of duress. Whoever is designated as co-trustee should have a clear understanding of the intent of the grantor and have any ambiguities settled in writing to avoid any confusion or potential legal challenges when the co-trustee acts.

Planning for life's unpleasant challenges is emotionally and technically difficult to navigate. Proper planning can minimize stress, and carefully assessing all options can ensure that the right financial decisions are made. For further information or guidance, contact your Anchin relationship partner or Mela Garber, a leader of Anchin's Trusts and Estates Services Group, at 212.840.3456 or info@anchin.com.



Ehud "Udi" Sadan, CPA, CGMA
Leader
ehud.sadan@anchin.com



Jared Feldman, CPA
Leader
jared.feldman@anchin.com



1375 Broadway, New York, NY 10018
212.840.3456 • www.anchinprivateclient.com



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