

Planning for your assets during your lifetime

Power of Attorney

A Power of Attorney is a very important planning tool.

A Power of Attorney is a document you can sign which grants someone else the authority to help you manage your assets. You should only grant this authority to someone you completely trust with your finances, such as a spouse, relative, or good friend. If you ever lose the ability to manage your assets yourself in the future, you can be sure that a person you trust will be able to step in to help you. A Power of Attorney is a very important planning tool which all adults, including young adults, should consider creating because it can prevent a lot of stress and difficulty for you and your loved ones. Be careful because online forms and “do it yourself” powers of attorney can create problems. If possible, you should work with an attorney to create a Power of Attorney that’s right for you.

Planning for your assets during your lifetime is essential.

“Planning for your assets” means planning for things like paying your bills, managing the money in your bank accounts, managing any investment accounts you might own, such as an IRA or 401k, and taking care of any property you own, such as your home. We often think about planning for what will happen to our assets after we die, but it’s just as important to think about planning for your assets while you are still living.

Be prepared for unexpected illness or injury.

With a Power of Attorney, you are planning ahead for the possibility that you may not always be healthy enough to manage your own finances. Unexpected illness or injury can happen to anyone. For example, if you are involved in an accident which causes you to be hospitalized or to lose consciousness, or if you become sick in a way which causes you to become confused or to lose your memory, you may not be able to manage your assets yourself. The goal is to be prepared for incapacity before it happens by appointing trustworthy people to help you in advance. Signing a Power of Attorney now, while you are still healthy enough to manage your own assets, allows you to choose the person you trust the most to help you manage your assets if you need help in the future.

Get started.

The best way to get started is to find an estate planning attorney to help you create a Power of Attorney. The “Get a Life Plan” webpage offers help finding legal assistance.