

ESTATE PLANNING

Estate Planning for Your Aging Parents: A Delicate Balance

Protecting assets isn't the only goal. Managing health care and taxes are also important, as is maintaining our parents' dignity and security.



(Image credit: Getty Images)

As our parents age, one of the most important aspects of ensuring their well-being and peace of mind is estate planning. Estate planning is more than just deciding who to leave your assets to once you die. It's a comprehensive process that encompasses health care decisions, financial management and maintaining a delicate balance between independence and security.

Estate planning involves making arrangements for the management and distribution of an individual's estate during their lifetime and after death. For aging parents, it's particularly important, as it allows them to maintain control over their affairs while also providing clarity and guidance to loved ones in case of incapacity or death.

Protecting assets is probably what most of us think about when beginning the estate planning process. Estate planning for aging parents, or anyone for that matter, involves making sure that a person's assets accumulated over a lifetime are protected. This includes real estate, investments, retirement accounts and personal belongings. Through tools like wills and trusts, parents can let their loved ones know exactly how they want their assets to be managed and distributed.

The next equally important, if not more important, aspect of estate planning has to do with incapacity planning. As parents age, their health care needs may become more complex. Advanced directives and health care proxies enable them to designate trusted individuals to make medical decisions on their behalf if they become unable to do so themselves. This ensures that their preferences regarding medical treatments and end-of-life care are respected.

Tax planning strategies for heirs

Estate planning is typically rounded out with tax planning. With the 2024 federal estate tax exemption at \$13.61 million for individuals and \$27.22 million for married couples, most people are not concerned about an estate tax. However, many states have their own estate tax, or “death tax,” so it’s important to be aware of what those are in your state. Regardless, estate tax laws change periodically, and proper estate planning can minimize the tax burden on heirs. Parents can employ strategies like gifting, establishing trusts or utilizing tax-advantaged accounts to reduce the estate and inheritance taxes that their beneficiaries may be on the hook for.

One of the primary challenges in estate planning for aging parents is striking the right balance between promoting independence and ensuring their security and well-being. Many parents value their autonomy and may be reluctant to relinquish control over their affairs. However, it’s essential to address their ever-changing needs and vulnerabilities sensitively.

The key to finding this balance lies in open and honest communication. Encourage conversations with aging parents about their wishes, concerns and goals for the future. Assure them that estate planning is not about taking away their independence, but rather, empowering them to maintain control over their legacy and ensure their wishes are honored.

Set a slower pace for making necessary changes

Estate planning is not a one-time event but a continuous process that can be updated as circumstances change. Start early and slowly introduce the concept of delegating responsibilities and decision-making authority. This could involve gradually transferring control of financial accounts or appointing a health care proxy with increasing levels of involvement as needed.

Provide parents with the necessary information and resources to make informed decisions about their estate. Educate them about different estate planning tools and their implications, empowering them to take an active role in shaping their legacy. Offer support in navigating complex legal and financial matters, whether through independent research or consultation with professionals.

While it’s essential to ensure parents’ safety and well-being, it’s equally important to respect their autonomy and dignity. Involve them in decision-making processes and honor their preferences to the extent possible. Recognize that estate planning is ultimately about fulfilling their wishes and values.

Estate planning for aging parents is a complex process that requires careful consideration of their unique circumstances, preferences and concerns. By striking a balance between independence and security, we can help our parents navigate this stage of life with confidence and peace of mind.

Through open communication, gradual transition, education and respect for autonomy, we can empower them to shape their legacy and ensure their wishes are honored for generations to come. Remember, estate planning is not just about managing assets; it's about preserving relationships and values that endure beyond a lifetime.

NYSUT NOTE: Participants in the NYSUT Member Benefits Trust-endorsed [Group Legal Service Plan](#) can access estate planning documents for their parents for free or at a heavily discounted cost as well as receive elder care legal services at reduced fees.

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