

4 reasons to revisit your financial and health care powers of attorney

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Although much of estate planning deals with what happens after you die, it's equally important to have a plan for making critical financial or medical decisions if you're unable to make them for yourself.

Carefully designed financial and health care powers of attorney allow you to designate a trusted person to make financial and medical decisions on your behalf in the event an illness or injury renders you unconscious or otherwise incapacitated. (Note: In some jurisdictions a health care power of attorney may be called a "living will" or "advance health care directive.") They also allow you to provide your designee with guidance on making these decisions, including your preferences regarding the use of life-sustaining medical procedures.

Review and revise as needed

Financial and health care powers of attorney can provide peace of mind that your wishes will be carried out, but it's important not to get lulled into a false sense of security. You should revisit these documents periodically in light of changing circumstances and consider executing new ones.

Possible reasons you may need new financial and health care powers of attorney include:

- Your wishes have changed.
- The person you designated to act on your behalf has died or otherwise become unavailable.
- You're no longer comfortable with the person you designated. (For example, perhaps you designated your spouse, but have since divorced.)
- If you've moved to another state, your powers of attorney may no longer work the way you intended. Certain terms have different meanings in different states, and states don't all have the same procedural requirements. Some states, for example, require *durable* powers of attorney to be filed with the local county recorder or some other government agency.

Honoring your powers of attorney

Even if your circumstances haven't changed, it's a good idea to execute new powers of attorney every few years. Why? Because powers of attorney are effective only if they're honored, and — because of liability concerns — some financial institutions and health care providers may be reluctant to honor documents that are more than a few years old.

Please contact us with any questions regarding financial and health care powers of attorney. We'd be pleased to further explain how they work or, if your estate plan already includes them, help determine if they need to be revised or whether new documents should be executed.

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