

Financial Planning Questions for Long-Term Care

Is privately funded care affordable? How does an adult child know if his/her parents can afford their possible need for long-term care?

Below are some questions designed to help adult children get a handle on their parents' finances:

What are their assets?

It's important to establish roughly how much money your parents have in cash, investments, and Social Security.

Do they anticipate needing financial support?

We're living longer than ever, which means more people are outliving their retirement savings. Ask your parents whether they have enough to sustain themselves for the rest of their lives. If not, how much support will they need?

What types of insurance do they have? Do they have adequate health insurance? Long-term care insurance? Life insurance?

Understanding their policies can save you time and money in the long run.

Who are their beneficiaries?

If they have life insurance or 401(k) plans, make a note of the heirs listed on the policies.

Will they share passwords and account numbers?

Ask your parents to give you a copy of all important account numbers and passwords, along with contact information for financial advisers and lawyers. If they have a safety deposit box containing estate plan documents, jewelry or other valuables, find out where the key is stored. This will make it easier to sort out their affairs if they fall ill or die suddenly.

Have they signed a power of attorney?

Make sure they have, so that you know who is responsible for making decisions on their behalf in the event of a medical emergency.

Do they have an up-to-date will?

If not, urge your parents to draft one, regardless of how small their estate is. This will minimize the chances of petty squabbles erupting over their possessions.



Source: M.P. Dunleavy, a contributing editor at MSN Money (Money.MSN.com)