

Considering a financial caregiver? Know your options

Is a loved one having trouble managing their money because of health problems or memory issues? Or are you planning ahead in case you need help in the future?

Knowing your options will help you choose what works best for your situation. An informal caregiver helps on an as-needed basis. If you need more than occasional help, it might be time to name a formal caregiver.

TYPES OF **INFORMAL** FINANCIAL CAREGIVERS

Consider a:	What is this?	How does this work?
Conversation partner	This allows you to give a trusted relative, friend, or professional an overview of your finances (even if you don't want to share all the details).	Ask your broker or banker to send a copy of your statements to your daughter or accountant. Ask a trusted friend or relative to join when you visit your banker or financial adviser.
Trusted contact person	You can add a "trusted contact person" to your brokerage accounts. Some banks may offer this too. It allows your financial institution to contact the trusted person in certain circumstances, like if they believe you're getting scammed.	Trusted contacts don't have access to your money—they get notified if the financial institution sees signs of financial exploitation.
Convenience account	A "convenience account" or "agency account" lets you name someone to help you deposit or withdraw money and write checks. A convenience account is not the same as a joint account, where money is jointly owned and the joint account holder automatically gets the money when you die.	A convenience account does not change the ownership of the money in the account or give your helper the right to keep the money when you die. The money belongs only to you.

Next step: Speak to your broker or banker to see what informal caregiving options are available.
Take this document with you.



TYPES OF FORMAL FINANCIAL CAREGIVERS

Consider a:	What is this?
Power of attorney	<p>This is a legal document that gives someone else legal authority to make decisions about your money or property. People often make power of attorney agreements so that someone else can handle their money if they can no longer manage their own finances. There are different types:</p> <ul style="list-style-type: none">▪ A durable power of attorney becomes effective upon signing.▪ A springing power of attorney allows you to manage your own finances as long as you have the ability to make sound decisions.▪ A health care power of attorney gives authority to make health care decisions.
Guardian	A court can name a guardian or conservator to manage your money and property if the court decides that you can't manage your money by yourself—and you don't have a power of attorney in place. A court can name different people to make financial decisions and health care decisions or give both roles to the same guardian.
Trustee	<p>A trustee makes decisions about money or property in a trust. The trustee can manage only money or property in the trust, not any of your other assets.</p> <p>A legal document called a revocable living trust gives the trustee authority to make decisions about money or property in the trust if you can't make decisions yourself. The trust also specifies who gets the money or property in the trust after you die.</p>
VA fiduciary or SSA representative payee	The Department of Veterans Affairs (VA) or the Social Security Administration (SSA) may appoint someone to manage VA or SSA benefits for someone who cannot manage their own benefits. That person is allowed to manage only benefits from the agency that names them. To manage other property or benefits, they'll need one of the other formal financial caregiving arrangements.

Next steps:

- Find a local attorney at National Elder Law Foundation (NELF) nelf.org/search or American Association of Trust, Estate and Elder Law Attorneys (AATEELA) aateela.org.
- Consult your local legal aid office lsc.gov/grants-grantee-resources/our-grantees.
- Visit Social Security ssa.gov/payee for more information on the Social Security representative payee role.
- Visit benefits.va.gov/fiduciary for more information on the VA fiduciary role.



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Choosing a financial caregiver

Review the questions below to make sure the person you have in mind to be your financial caregiver is the right person.

QUESTIONS TO ASK WHEN CHOOSING A CAREGIVER

Ask yourself:	Yes	Maybe	No	
Do I trust this person?				Trusting someone with your finances, even in an informal way, is an important decision with a lot of responsibility attached.
Do I feel comfortable sharing my wishes with them? Will they carry out my wishes the way I want them to?				Conversations about money can be difficult. Make sure you can be honest with each other and that you will be able to discuss your needs and expectations.
Are they willing and able to take on this responsibility?				Ask the person if they are interested, able, and willing to help you. Avoid choosing someone who you worry may be struggling with their own financial problems, mental health challenges, gambling or substance abuse issues.
Will they make decisions in my best interest?				Your caregiver should make decisions that are best for you and avoid conflicts of interest. They should include you in decisions as much as possible.
Will they manage my money and property carefully?				Your caregiver will need to keep a record of all money, property and debts; invest carefully; pay bills on time; and find out whether you are eligible for any government or employer benefits.
Will they be able to keep my money separate from their own?				Your caregiver should never deposit your money or property into their own or someone else's bank account or investment account.
Will they keep good records?				Your caregiver should keep detailed lists of everything they receive or spend for you. That includes keeping receipts and notes—even for small expenses.

If you answered **maybe** or **no** to some of the questions above, you might want to choose someone else.



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Next steps:

- **If you don't have someone you feel comfortable asking to help you,** there are money management programs that can help. To find help in your area, contact the Eldercare Locator eldercare.acl.gov.
- **Once you find the right person, consider choosing a back-up financial caregiver or "successor fiduciary."** This is someone who can manage your finances if your first choice is no longer able to do so. For example, you might list your spouse as primary financial caregiver and a child as a back-up. This is different from co-agents who manage the money together and consult on decisions.
- **Review who you chose every so often.** Sometimes relationships change. If someone is not doing a good job as a financial caregiver and you no longer trust them, you may need to update your legal agreement to choose someone else instead.

Learn more about financial caregiving

Check out the CFPB's *Managing Someone Else's Money* guides, available at consumerfinance.gov/msem. These guides may help you understand the roles and responsibilities of financial caregivers and help you consider who will best serve your needs in this role.

Order or download **free** guides:

- Agents under a power of attorney
- Guardians and conservators
- Trustees
- Social Security representative payees and Veterans Affairs fiduciaries



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