

JUNE NEWSLETTER



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We are excited to announce that our website is now live! Please visit us at www.sagefinancial.ca and we welcome any feedback you can give us. As well, please follow us on Twitter @SageFinancialCA for useful tips and articles.

POA – POWER OF ATTORNEY AND WHAT YOU SHOULD KNOW

Contrary to popular thinking joint ownership on bank accounts with an adult child is not a replacement for POA, nor advisable.

POA for Property deals with your financial assets and property. The POA holder can essentially do anything you can currently do from a financial standpoint, i.e. paying bills, managing investments, buying and selling property.

POA for Personal Care deals with your health and personal care. The POA holder should have a strong understanding of your personal needs and wishes when it comes to your personal care and health philosophies.

One of your most important considerations when developing an Estate Plan is who will take care of your financial matters when you are no longer capable of doing so, or if you simply no longer wish to do so. The person you appoint as your POA is critical. Unlike an Executor who assumes the control of your estate after your death, your POA of Property is a document that will give the person you appoint the authority to manage your affairs while you are alive. This document should be drawn up by your lawyer after careful consideration. Many people choose a spouse, family member or a trusted friend. A trust company can be granted POA for Property but not for Health. You should speak to the person you are considering as POA before you appoint he or she to ensure they have the availability and willingness to take on the role. Consideration should be given to appoint an alternate POA should your primary POA be unable or unavailable to take on the role when the time comes.

You can create a Limited POA which allows your appointed POA to act on your behalf for a limited time (i.e. to pay bills, pay taxes, do banking) during your absence. A Continuing POA allows the person holding your POA to continue to act on your behalf after you become incapable. Discussions with your lawyer can help you specify the time, conditions or circumstances under which you wish your POA to become effective.

While you can appoint the same person as POA for Property and POA for Personal Care, the two roles could take on a good deal of time and work. If you think this is the case, you may wish to consider a separate person for each role. Some personalities are better suited for the role of managing your properties, while others may be better suited for handling your personal care.

As a Certified Financial Planner and advisor, I can help you have a better understanding of both roles of POA and their importance in your Estate Planning. This dialogue is an important step to ensuring your personal financial security. Once you have taken the time to consider the role of your POA, it is time to seek legal advice and have your lawyer draw up your legal documents.

We hope you found this newsletter useful and informative. We wish you a great and safe summer!

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