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TWELVE HOT TIPS FOR SENIORS AND THEIR CAREGIVERS:

- 1. Plan proactively.** Sit down as a family – if possible, *before* you or your parents require care (a Family Caregiving Pre-Planning Questionnaire is in your packet). As appropriate, discuss your parents' wishes for care in a group conversation that includes all the siblings. Talk openly about how care can be handled, and by whom if the family caregiving route is the road you plan to go. I recommend caregiving be part of every individual's basic estate plan.
- 2. Take it a step further with a "caregiver contract."** Spell out on paper who is doing what, who is paying for what, who will fill in for the caregiver(s) when he/she/they need a break, and how the caregiver(s) will be financially compensated. More and more families are sitting down with their elder law attorney to draft such agreements. It makes sense – and saves on a lot of grief, money and argument – to deal with the issues before they erupt into crisis. A 2006 *Wall Street Journal* article reports a growing trend in Caregiver Contracts.

What Is a Caregiver Contract?

- It is essentially an employment agreement with one's children. It may seem odd to put an employment agreement in place with family members, but it puts all the issues on paper when there is no crisis, so the entire family can work together and understand what the parents' wishes are.

What are the Goals of a Caregiver Contract?

- **Create a Process.** Working together on a Caregiver Contract establishes a planning process which allows the family to address all the issues, get them down on paper and determine what will be done when parent's health begins to decline. The process is often just as important as the result – the family not only has a game plan, but they also have the skills to work together, which is key as unexpected issues arise.
- **Promote Harmony.** The family is able to (or learns to) work as a unit to determine how they will approach this important issue together.
- **Dignity and Freedom.** Because the parents are part of the process, a Caregiver Contract maintains and upholds the dignity and freedom of the older adult being cared for.

What are the Contents of the Caregiver Contract?

- Who. Who will be the initial caregiver?
 - Successor. If that caregiver burns out and is no longer able or willing to serve, who will be second in line as caregiver?
 - Services. What services will the Caregiver provide?
 - Compensation. How will the Caregiver be compensated? Possible options:
 1. Hourly;
 2. Monthly stipend;
 3. Lump sum fee for every year of service;
 4. Additional bequest in the parent's Will.
 - Communication. How will the family communicate regularly regarding the parent's care issues? We recommend that you avoid email as the sole means of communication, due to the conflicts it can create without personal contact. Options:
 1. Monthly telephone conference call at a pre-set date and time.
 2. Family dinner or breakfast.
 3. Monthly written report from Caregiver.
 - Conflicts. How will conflicts with the Caregiver be resolved? How can the parent or other siblings replace the Caregiver if the Caregiver is not doing their job and yet refuses to resign?
 - Outside Employment. How will the Caregiver coordinate their role with their outside employment?
- 3. Set up a trust for the caregiver.** A trust can include caregiver contract provisions or be its own separate document. The trust can provide the trustee with the authority to manage elderly parents' finances and assets and even avoid probate. It can also set forth the terms under which the caregiver will be paid and what the caregiver's responsibilities will be if mom and dad need professional nursing assistance.
- 4. Use the parents' home as financial "collateral" for the caregiver.** In an effort to compensate the caregiver for the time, energy and money he or she will provide, the parents' will or trust can provide that, upon the second to die of the two parents, the caregiver receives a gift of the home outright or a certain portion of the proceeds from the sale of the home.

- 5. Provide for the caregiver in a will.** Another way to compensate the caregiver is to include a provision in a will requiring a lump-sum payment of money to be distributed to the caregiver upon the second parent's death. The will can provide for a stated dollar-amount payment or an annual amount to be paid based upon the number of years the caregiver cared for his or her parents.
- 6. Consider long-term care insurance.** Long-term care insurance provides a monthly payment from the insurance carrier of a predetermined amount toward the cost of in-home, assisted-living and nursing-home care expenses. Because of its current budget crisis, the State of Michigan is tightening the Medicaid requirements that provide public funds for long-term care, with a goal of persuading Michigan residents to purchase long-term care insurance and be less reliant on governmental assistance. A report for the U.S. Department of Health and Human Services found that long-term care insurance helped working-age people to stay employed while still serving as caregivers.
- 7. Tap Veterans Administration benefits and pension payment to cover costs.** If an individual is in need of assisted-living or nursing-home care and he/she or their spouse served in a world war, the veteran and the spouse may be entitled to receive VA pension benefits to help offset some of the costs of long-term care.
- 8. Know your rights.** Under the Family and Medical Leave Act, covered employers must provide eligible employees with up to 12 work weeks of unpaid leave during any 12-month period to care for an immediate family member (spouse, child, or parent) with a serious health condition.
- 9. Tap the Child and Dependent Care tax credit.** The credit may be worth up to \$3,000 for one dependent or \$6,000 for two or more dependents to individuals who qualify.
- 10. Tap the help of support groups and organizations.** Locally, West Michigan has a bounty of wonderful groups that can help with all kinds of assistance, including financial. A good starting place: the Caregiver Resource Network (www.CaregiverResource.net). Also, contact the Area Agency on Aging: <http://www.aaawm.org/index.shtml>.
- 11. Order the "Long-Term Care Planning Tool Kit"** created by the U.S. Department of Health and Human Resources by calling 1-866-PLAN-LTC – for your parents and for your own future planning.
- 12. Meet with your elder law attorney and get your plan together.** Many people put off planning for long-term care. However, the best way to maintain family harmony and keep conflicts and financial hardships to a minimum is to sit down with family members and discuss the above options with your elder law attorney. He or she should be able to help you decide which of the above tools will help you best. Look for attorneys who are members of the National Academy of Elder Law Attorneys (www.naela.org).

Whether you are the caregiver or are being cared for, family caregiving can and should be a positive, compassionate and fruitful experience for you, your family and your loved ones. Reaching that goal takes focus, attention and planning to surround you with a circle of care.

For Further Information or Questions, Feel Free to Contact:

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