

FOUR BENEFITS OF GENERAL DURABLE POWER OF ATTORNEY



Douglas H. McPhail, PLC

ESTATE PLANNING & ELDER LAW FIRM

THE FOUR BENEFITS OF GENERAL DURABLE POWER OF ATTORNEY

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Introduction

The General Durable Power of Attorney (GDPOA) is a crucial cornerstone in estate planning, offering peace of mind for your financial affairs.

Designate a trusted agent to act on your behalf during unforeseen circumstances. Whether young or old, affluent or modest, the GDPOA is essential to secure your future and protect your interests.

Life's challenges may hinder our ability to handle finances independently. The GDPOA gracefully addresses uncertainties, letting you take control and safeguard your financial well-being.

Discover the GDPOA's significance and its four key benefits, including maintaining control, avoiding probate court, providing asset protection, and granting access to essential information.

Join us on this empowering journey to unlock the true potential of the GDPOA, securing your financial future and preserving your legacy.



#1.

Keep Control While Allowing Someone Else to Act for You

Instead of creating a general durable power of attorney, it may be tempting to add another person as a signatory on your bank accounts “just in case something happens.” Adding someone else as a joint tenant on your bank accounts or other assets can cause you to lose complete control over what you own. Joint ownership arrangements make your asset the property of the new joint owner; and, joint ownership arrangements put your assets at risk to pay for your new joint owner’s liabilities.

Don’t make your joint owner’s debts your problem. A general power of attorney allows you to appoint someone else to act for you either immediately or upon proof of incapacity without losing control. And, it requires the agent to always act in your best interest.



PROBATE

#2.

Avoid Probate Court

If you become disabled and are unable to make your own decisions, without a general durable power of attorney your family may have no choice but to petition the probate court for the appointment of a conservator. Appointing a conservator can be an expensive and time consuming process. Once a conservator is appointed, it's usually for life.

That means so long as you are alive and disabled, your conservator must provide a complete inventory of your assets and report of all of your income and expenses to the court and your family every year. What you own and what you make becomes a part of the public court records.



asset protection

#3.

Provide for Asset Protection

If you end up needing financial assistance to help pay for long term care or nursing expenses, most power of attorney documents place handcuffs or limitations on your agent's ability to protect your assets. When given the choice, most families prefer to protect as much of their savings and assets as possible from being spent on nursing home costs that might otherwise be paid for through government benefit programs like Medicaid.

Without specific authorization to apply for government benefits or to take actions that might protect what you own, your agent may be forced to spend all of your assets on medical expenses or other costs associated with a chronic, long term illness. If your family has to go to court to get permission to act for you, there is no guarantee that the court will feel the same way you do about how to protect your assets.



#4.

Allow Access to Information

Putting someone else on your bank account might allow them to pay your bills from that particular account but it does nothing to allow access to financial information or medical records needed to help pay your bills, apply for government benefits or to make other important decisions.

Without a general durable power of attorney, financial and medical privacy rules may prevent others from disclosing important information needed to protect you or others who depend on you for support.