

No free lunch for the sandwich generation

Are you part of the sandwich generation? This is the name given to people caught in the middle between caring for elderly parents or in-laws and raising young, and sometimes not-so-young, children. And, of course, you still have to handle your own affairs. You may feel yourself being pulled in several directions – all at the same time.

To further complicate matters, the COVID-19 pandemic has only added to the stress, with some people having to juggle remote teaching responsibilities for their children with tending to parents who reside in facilities or have other restraints. Throw in the great uncertainty for the future.

Practical advice: Don't despair. By developing a comprehensive estate plan that accommodates the needs of all the parties, you can ease some of the pressure. Approach the situation in a logical and organized manner – preferably before any dire situations occur.

A meeting of the minds

The first thing to do, and one of the most important and, quite possibly, the most difficult, is to get everything out in the open. Typically, this will require in-depth discussions with your parents that touch on sensitive matters. They may not be willing to give up control in certain aspects of their lives – for example, the freedom to drive whenever and wherever they want – or even acknowledge the effects of aging.

Be sure to include all the family “stakeholders,” such as siblings and close aunts or uncles. Try to present a unified front. If you can't meet in person, you may be able to rely on technology to have a virtual meeting.

Consider also that your parents' advisors will be able to provide valuable input, so you should complement the family sessions with a fact-finding mission about your parents' finances. Frequently, individuals are surprised to find out that their parents have more or fewer assets than they initially thought. These findings can go a long way toward determining the next steps. For instance, do your parents have sufficient funds to ensure an extended stay in a nursing home or other facility? Do they have long-term care (LTC)

insurance that can absorb part or all of the projected cost? Or can they now acquire LTC insurance at a reasonable price?

One of the main objectives of most families is securing the type of care that elderly relatives need. Finding the best solution will depend on the specifics of the situation, and keep in mind that visiting a care facility will likely be a lot more difficult than it would have been a year ago.

Be prepared for some pushback from your parents. While mom and dad may, understandably, prefer to stay at home, doing so may not be practical. Plus, they may not want to cede any control over their assets. So long as a more drastic course of action isn't warranted, it'll probably be best to compromise, or at least phase in changes gradually, so they're not too jarring.

Components of the plan

Usually, a series of meetings will help you formulate a plan that addresses the changing lifestyle needs of your parents. This will likely include some (if not all) of the following components:

Will. First and foremost, virtually everyone needs a will, or documents that act as a substitute for a will, and your parents are no exception. It divides up their assets and designates beneficiaries. An older will may have to be updated or replaced to accommodate recent life events, such as the birth or death of a family member.

Durable power of attorney. With this document, a designated agent — it could be you — is authorized to act on your parents' behalf concerning their financial affairs and health care. It remains in effect if a parent is disabled or declared incompetent.

Health care directives. Certain health directives can be coordinated with a living will that addresses issues if a parent is suffering from a life-threatening illness. This can take some difficult decisions out of your hands.

Trusts. The family may benefit from various types of trusts. For instance, with an irrevocable living trust you may maintain control over assets while protecting the family's privacy and avoiding probate. Another type of trust may provide Medicaid benefits if certain requirements are met.

Although it's not legally binding, a "letter of instruction" is often valuable. Beyond including an inventory of assets, investment and retirement plan account numbers and other important information, it provides a forum for your parents to leave guidance and suggestions for future generations.

Obtain professional assistance

While you may be overwhelmed by the enormity of the task at hand, take comfort in knowing that you don't have to go it alone. Unless you're a legal/financial professional yourself, you will likely benefit from the assistance of professional advisors.

In most cases, you should rely on several professionals — such as an attorney, CPA and investment advisor — to steer you in the right direction. It's especially important to use an attorney to create documents that are legally valid.

Sidebar: What to do about the kids

Much of the attention for the sandwich generation is focused on caring for their elderly parents. But you can't overlook the needs of your children, either.

This might include investigating the best day care options for newborns, caregiving for toddlers and tutoring lessons for grade school kids. Of course, you want to give your children your undivided attention, but you can't when emergencies arise.

Practical advice: Find the proper balance for your situation. Consider both short-term solutions and long-term goals, such as saving for college. And simply do the best that you can without remorse.



1875 Century Park East, Suite 2000

Los Angeles, CA 90067

(P) 310 553-8844 | (F) 310 553-5165

www.weinstocklaw.com