

WALL STREET JOURNAL

## GETTING PERSONAL CANADA: Prioritize Power Of Attorney

By Andy Georgiades

Of DOW JONES NEWSWIRES

Toronto (Dow Jones)--While the drawing of a will is considered a key part of estate planning, the power of attorney is often forgotten or ignored.

Not enough people have either, but the power of attorney tends to fall even lower on the radar, says certified financial planner Mark Halpern, founder of illnessPROTECTION.com Inc. That's because the chances of getting sick before the age of 75 are much greater than the chances of dying.

"People are leaving themselves in a very precarious situation by not attending to powers of attorney," he told Dow Jones.

A power of attorney allows someone to act on your behalf when you're otherwise unable to, and there are two types to consider. One pertains to property, and gives a specific individual the authority to make decisions for a person incapacitated by illness or accident who can't sign off on matters related to real estate and other investments. The other type pertains to personal care, such as health, shelter and hygiene. You don't have to have the same person for both.

While a spouse is often the person designated in power of attorney documents, it's good to have a back-up in case of a "common disaster" that incapacitates both the husband and wife, and that typically falls to one of the children. Ultimately, you have to decide who you trust to look after your affairs.

"If someone didn't have a power of attorney, you have a public trustee come in. My advice is, 'how much do you want government involved in your affairs?' Especially since they have legislative limitations on what they can do in terms of investments and access," Halpern said.

He advises that people take care of their wills and powers of attorney at the same time, just as a matter of "housekeeping." But it's an area he thinks isn't taken seriously enough because, while people accept that they'll die one day, they don't consider the consequences of a sudden illness or accident.

Do-It-Yourself Kits Not Recommended

While anyone can go to the local bookstore and pick up a kit for wills and powers of attorney, he advised against going that route. The reason is that most people who buy these products never take them out of the packaging.

"I really believe it's no different than any other investment or asset. It has to be properly attended by a professional, and it should be someone who specializes in wills and estate planning. This is a specialty," Halpern said.

A consequence of not having powers of attorney in order is friction between family members. That's why he says it's important to take care of everything "while the sun is still shining," because if you wait until an emergency arises, it will be too late.

Talking to your children is an essential part of the process, much as it is for a will. One child may be more financially astute than another, or one may simply live closer, and these factors should be discussed. On the other hand, kids should feel free to instigate the conversation and ask their parents about powers of attorney, too.

Without powers of attorney, the Office of the Public Guardian and Trustee (in the case of Ontario) may have to get involved, and the courts would have to obtain authority to act for the incapacitated person. This would result in additional expenses and delays, which could add up to a big financial headache in the event an asset needs to be sold by the family.

If you make the effort of drawing up a will and powers of attorney, go the extra mile and create an estate-planning directory, he said. He has an estate planner that can be downloaded from his company's Web site that can organize everything from names of accountants and lawyers to the location of the safety deposit box key. Store it where your spouse and another person can find it - just in case.

"Couples don't know where all the stuff is. It's a big issue. I have one client that's been dead for five years and the estate still isn't wrapped up because they keep finding stuff," Halpern said.

Web Site: <http://www.illnessprotection.com>