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## Medical and Financial Powers of Attorney

What if an accident or illness -- or simply the effects of aging -- left you unable to tell your doctors what kind of medical treatment you want, or made it impossible to manage your financial affairs? No one likes to consider such grim possibilities, but the truth is that almost every family will eventually face this kind of difficulty. While medical and financial powers of attorney can't prevent accidents or keep you young, they can certainly make life easier for you and your family if times get tough.



### What Is a Power of Attorney?

A power of attorney is a legal document that gives someone you choose the power to act in your place. In case you ever become mentally incapacitated, you'll need what are known as "durable" powers of attorney for medical care and finances. A durable power of attorney simply means that the document stays in effect if you become incapacitated and unable to handle matters on your own. (Ordinary, or "nondurable," powers of attorney automatically end if the person who makes them loses mental capacity.)

With a valid power of attorney, the trusted person you name will be legally permitted to take care of important matters for you -- for example, paying your bills, managing your investments, or directing your medical care -- if you are unable to do so yourself.

Taking the time to make these documents is well worth the small effort it will take. If you haven't made durable powers of attorney and something happens to you, your loved ones may have to go to court to get the authority to handle your affairs.

To cover all of the issues that matter to you, you'll probably need two separate documents: one that addresses health care issues and another to take care of your finances. Fortunately, powers of attorney usually aren't difficult to prepare.

### Medical Power of Attorney

A medical power of attorney is one type of health care directive -- that is, a document that set out your wishes for health care if you are ever too ill or injured to speak for yourself.

When you make a medical power of attorney -- more commonly called a "durable power of attorney for health care" -- you name a trusted person to oversee your medical care and make health care decisions for you if you are unable to do so. Depending on where you live, the person you appoint may be called your "agent," "attorney-in-fact," "health care proxy," "health care surrogate," or something similar.

Your health care agent will work with doctors and other health care providers to make sure you get the kind of medical care you wish to receive. When arranging your care, your agent is legally bound to follow your treatment preferences to the extent that he or she knows about them.

To make your wishes clear, you can use a second type of health care directive -- often called a "health care declaration" or "living will" -- to provide written health care instructions to your agent and health care providers. To make this easier, some states combine a durable power of attorney for health care and health care declaration into a single form, commonly called an "advance health care directive."

### Financial Power of Attorney

A financial power of attorney is a power of attorney you prepare that gives someone the authority to handle financial transactions on your behalf. Some financial powers of attorney are very simple and used for single transactions, such as closing a real estate deal. But the power of attorney we're discussing here is comprehensive; it's designed to let someone else manage all of your financial affairs for you if you become incapacitated. It's called a "durable power of attorney for finances."

With a durable power of attorney for finances, you can give a trusted person as much authority over your finances as you like. The person you name is usually called your "agent" or "attorney-in-fact," though he or she most definitely doesn't have to be an attorney.

Your agent can handle mundane tasks such as sorting through your mail and depositing your Social Security checks, as well as more complex jobs like watching over your retirement accounts and other investments, or filing your tax returns. Your agent doesn't have to be a financial expert; just someone you trust completely who has a good dose of common sense. If necessary, your agent can hire professionals (paying them out of your assets) to help out.

### Why You Need Separate Documents for Medical Care and Finances

You may wonder why you can't cover health care matters and finances in just one power of attorney document. Technically, you could -- but it isn't a good idea. Making separate documents will keep life simpler for your agent and others.

For example, your health care documents are likely to be full of personal details, and perhaps feelings, that your financial broker doesn't need to know. Likewise, your health care professionals don't need to be burdened with the details of your finances.

That said, even though you should make separate power of attorney documents for health care and finances, it makes a good deal of sense to name the same agent under both documents. If not, you must be sure to name people who will work well together.

# Coping With Major Life Changes



Major life changes such as getting a new boss or having a baby affect all aspects of your life. Whether positive or negative, change can be difficult to adjust to.

"All major changes involve a component of loss at their center," says Cara DiMarco, Ph.D., a counselor in Oregon and author of *Moving Through Life Transitions With Power and Purpose*. "That loss might involve loss of a particular routine, loss of opportunities, loss of a sense of yourself or a loss of hope."

As a result, most people going through major life transitions can expect to feel varying levels of anxiety, stress, confusion and possibly self-doubt. These feelings should not become persistent, however, but should decrease over time. If they don't ease and your ability to function in daily life becomes significantly impaired, you may need professional help.

The adjustment period typically is uncomfortable, but you can do things to make change easier on yourself.

## **Expect disruption**

In the vortex of change, many people expect to go on without missing a beat, as if the change were a minor inconvenience. But this attitude isn't realistic. "While it's essential that we're able to be productive in the midst of change, we also need to allow ourselves to not feel fully centered, to not feel absolutely on top of our game," Dr. DiMarco says.

If you're starting a new job, for instance, and are used to performing at 95 percent, don't expect to be up to speed immediately.

## **Focus on the known**

In the midst of change, "people tend to over-focus on the unknown," Dr. DiMarco says. "This is only natural, because that's where most of their anxiety lies. But some things you just can't know until you're in the middle of the experience."

To avoid needless worry and self-doubt about changes at hand, focus on the known elements that are present in the new situation.

## **Anticipate change**

Change is inevitable, so it's helpful to plan for it. "Being prepared allows you to have more options and be aware of potential obstacles," Dr. DiMarco says.

If you have children in high school, for instance, you know they will soon leave home -- and you'll have more time to yourself.

To establish several game plans for coping with empty-nest syndrome and making good use of your free time, sit down with someone -- a career counselor, personal counselor or trusted friend -- and use the person as a sounding board.

## **Pinpoint patterns**

How do you move through change? What sorts of feelings and reactions tend to consistently recur? "These are the kinds of questions to ask yourself when your life is stable so you can develop your own personal tool kit of coping strategies when change ensues," Dr. DiMarco says.

## **Look for meaning**

Change disrupts the continuity of life, but even the most difficult and traumatic changes can be useful. "You can learn from every experience," Dr. DiMarco says. You might have never chosen that life-changing experience or the lesson it taught you about yourself or the world, but if you can find the meaning or valuable outcome behind it, that experience will become part of your internal world, rather than an external agent acting on you.

That mind-set, Dr. DiMarco says, "increases your sense of personal control and power. By extracting something out of change, you can create a sense of mastery."

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