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SmartPlanner

NEWSLETTER

Should You Choose Family or a Professional Trustee? Know the Pros and Cons



The Charter Oak Pass provides access to several State Parks and is available free to Connecticut residents, 65 years of age or older.

The pass is accepted for the Charter Oak pass holder when visiting Gillette Castle, Dinosaur State Park or Fort Trumbull State Parks.

To learn more and find out where the Charter Oak Pass can be obtained visit: ct.gov/deep and then click on Parks and Forests, then State Park Passes.

Selecting your trustee is one of the most important estate planning choices you'll ever have to make, so it's important to be clear about exactly what you're asking this person to do.

Taking on the role of a trustee means accepting a complex fiduciary responsibility that requires several specific skills, knowledge, and experience. Being a trustee can also be quite time-consuming and comes with a fair share of liability, regardless of whether a trustee is being compensated for their services.



Family or Professional Trustee?

Before you can even think about which specific individual you will entrust with this critical authority and obligation, you must first decide whether you will choose a family member or engage a professional trustee. There are pros and cons to both options.

FAMILY MEMBERS AS TRUSTEES: PROS & CONS

PROS

Lower Costs:

Family members typically volunteer to act as trustee without any financial compensation. (Note: This doesn't mean there are no costs.)

Deeper Family Knowledge:

People often choose a family member as trustee to "keep it in the family," navigate family dynamics, and keep the peace.

Greater Influence Over Distributions:

A family trustee will likely have more sway over the nature and timing of various distributions.

CONS

Inexperience:

A trustee's lack of expertise (along with the ability to act independently) can result in losses, missteps, and other unpleasant outcomes.

Lack of "In-house" Support:

A family member acting as a trustee lacks the in-house support that is available to professional trustees such as attorneys and portfolio managers.

Personal Biases/Conflicts:

A family member trustee can be at risk for making decisions based on personal biases and getting inadvertently involved in inter-family conflicts and power struggles.





PROS

Requisite Skills and Knowledge:

A professional trustee is just that - a professional with the training and experience to manage a trust. They are also able to provide critical guidance at every juncture, giving family members greater peace of mind.

Objectivity: Professional trustees have formal protocols that ensure objectivity, which is critically important not only in day-to-day management, but also (and especially!) when there are conflicts that need to be resolved.

Deep Professional Resources: Since a professional trustee is usually either part of a larger organization or partnered with one, they have access to a broad range of supplemental resources they can call on to navigate and resolve complex issues or unanticipated crises.

Continuity: In general, a professional trustee provides a greater guarantee of uninterrupted service.

CONS

Higher Costs: Professional trustee fees can initially seem expensive when compared to having a family member act as trustee for free.

Lack of Family Knowledge: A professional trustee isn't likely to have an in-depth understanding of individual family member's personalities and behavioral traits or of the various relationships and history between family members.

Lack of Empathy: Some families might be uncomfortable with a professional trustee who—lacking any personal connections to the family—may not be as sympathetic or empathetic as a family member might be.

Loss of Control: Sometimes families feel unsure about handing control of their assets to a third party.

Considering Long-Term Care Insurance?

Here are **6 tips** to get you started

- 1. Don't wait too long.** It's important to buy when you are younger, healthier, and more likely to be approved for coverage.
- 2. Choose your benefit period wisely.** This is the amount of time you will receive benefits once a claim begins.
- 3. Learn what is covered and what is not,** including what kind of care is included and in what type of facility.
- 4. Think through your daily benefit,** or the amount a policy will pay per day. Checking the average cost for care in your area is the smartest way to help you decide your daily benefit.
- 5. Ask about the benefit triggers.** The more triggers a policy requires, the harder it is to collect benefits.
- 6. Consider the waiting period,** or the number of days you must pay for your care before the plan starts to provide you benefits. The most typical elimination period is 90 days.



DID YOU
know?

You cannot report a death or apply for Social Security Survivors Benefits online. **Applying for survivors' benefits requires speaking with a Social Security representative.**

Geriatric Care Managers: Who Are They and How Can They Help?



Sometimes called an aging life care manager or an aging life care expert, a geriatric care manager is a professional, typically licensed as a nurse, social worker, occupational or physical therapist, who specializes in health care for older adults.

What Does a Geriatric Care Manager Do?

A geriatric care manager supports family members by acting as private advocate and guide, helping caregivers navigate a variety of care choices by providing specialized expertise and taking on research, coordination, and other responsibilities that can quickly become time-consuming.

Depending on a family's needs, a geriatric care manager may provide a one-time assessment or ongoing coordination-of-care services. Initial assessments are often focused on ensuring that an aging parent will be able to remain safely and comfortably at home.

Ongoing care coordination and family guidance can cover a range of services including designing short- and long-term care plans, coordinating, evaluating, and monitoring third-party paid caregivers like home health aides, scheduling medical appointments and services, and managing related transportation, and research.

How Much Does a Geriatric Care Manager Cost?

Costs for a geriatric care manager vary depending on location and the individual's level of experience. For a comprehensive initial assessment, estimated costs are between \$800 and \$2,000. From there, care managers charge hourly for ongoing coordination and other services, typically at a rate between \$90 and \$250 per

hour. Unfortunately, neither Medicare nor Medicaid provide coverage for geriatric care management services, so families must pay out of pocket. In some cases, long-term care insurance - if you have it - may cover a portion of the expenses.

Where Do You Find a Geriatric Care Manager?

Due diligence is key when choosing a geriatric care manager because there are no licensing requirements for geriatric care managers. However, one good place to start looking for a geriatric care manager is to ask your doctor or other health care provider for recommendations.

In addition, there are several organizations that connect families to geriatric care managers, including the Aging Life Care Association and Eldercare Locator. Our team here at Czepiga Daly Pope & Perri is also happy to refer you to a geriatric care manager in the area.

While there are out-of-pocket costs involved in retaining a geriatric care manager, those costs may be worth it for some families. Having a professional, impartial advocate to help navigate the often complex and emotionally fraught experience of being a caretaker can help save time, reduce stress, and ultimately could improve the quality of time you spend with your loved one.

