



Caring for Aging Parents

Millions of Americans are now caring for their parents as we live longer with advances in modern medicine. When doing so, a new trend is emerging in the area of elder law planning, the “sister” of estate planning. Aging parents and their children alike recognize that helping the senior generation is being increasingly more difficult from a financial perspective in these tough economic times. As a result, some Americans are now entering into legal agreements, sometimes referred to as “caregiver agreements”, in order to compensate children who are providing care giving services.

In preparing these types of agreements, families should consider the following:

- *What types of services are being performed?* Clearly defining the duties and responsibilities of the caregiver in the beginning will benefit everyone in the long-run. This will also help legitimize the agreement if a parent needs government benefits in the future.
- *What compensation will be paid?* Whatever the services being performed, the compensation should be reasonable. This is especially true if parents have more than one child, but only one child is providing care giving. Do not forget, this is a job so being paid may be appropriate in certain instances.
- *Have you engaged everyone in the family in this process?* After a parent is gone, if one child receives a larger benefit than another, there will likely be family friction. This usually results from a lack of communication. If everyone understands that one child is performing some work for a parent, the funds received should not be viewed as an inheritance, but rather as compensation for services rendered.

As a final note, service agreements do not need to be in writing to be enforceable in the State of Florida. However, to avoid family conflict and confusion, spending the time and energy to memorialize the agreement in a clearly written legal document is certainly worthwhile.

Questions or comments?