

What is a Financial Caregiver?



A person who *helps* a senior manage his or her financial life. The relationship *evolves* as the needs change. Initially, a caregiver assists with everyday financial matters, but the role can involve greater responsibility if the senior becomes ill or injured or has trouble managing money.

A Financial Caregiver Can:

- Help avoid **preventable problems**, such as missed payments, lapsed insurance or unpaid taxes
- Help be alert to **potential fraud**
- Have someone in place to handle financial and other affairs if the senior can't

Caregiving Relationships: Informal to Formal

- Informal caregiving may be focused on specific tasks, e.g., reviewing statements and preparing checks, organizing financial records, filing tax returns.
- In formal relationships, financial caregivers are **fiduciaries**. A fiduciary has an obligation to act in another person's best interest. Examples of these formal relationships
 - Agent with power of attorney
 - Trustee for a revocable living trust
 - Social Security Representative Payee
 - Veterans Affairs Fiduciary

Managing Finances Wisely

- Set up a separate, limited-balance bank account for paying bills and ask bank to periodically transfer funds. Share that limited account information with caregiver.
- This helps mitigate risks of joint accounts
- No fiduciary responsibility to use assets for senior's benefit
- Joint account holder can empty account
- Joint account holder's debts can be collected from this account
- Joint account can complicate estate planning

How Your Bank Can Help

- Help review bank or credit card statements
- Answer questions about financial matters
- Assist senior's agent or representative in handling financial accounts

For more information, visit [aba.com/Seniors](https://www.aba.com/Seniors)

