

Under one roof

It can be complicated when generations merge households

BY Bernard A. Krooks, Esq.

The number of multi-generational households is swelling as a subdued economy dovetails with demographics. Unemployment and home foreclosures are driving adult children back

family dynamics, financial and legal issues can explode. What if there are multiple siblings but only one will live with the parents? Who will make important health and financial decisions as Mom and

ing the practical challenges that accompany aging. Elder law attorneys must understand real estate, tax statutes, estate planning, Medicare and Medicaid, as well as other social service laws, in order to tackle problems that affect the fabric of family life.

Each situation is unique, but here are some common issues to consider when two or more adult generations consider merging their households:

Paying for renovations
Ramps, bathroom alter-

ations or even an additional wing may be needed to retrofit an adult child's home to a senior's lifestyle. Who will pay? Depending upon the desired goal, the investment in renovations can be shaped to benefit the home owner, elderly parents, or siblings as a group.

Ongoing living expenses

It often makes sense for the "incoming residents" to pay a fair market value in rent. This can assuage sibling concerns or be a method for seniors to

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home at the same time that an aging population is finding it convenient to share a roof and responsibilities with "the kids."

But reestablishing former living patterns can be tricky. Fueled by dormant

Dad become increasingly frail? Will the "onsite" sibling reap an inheritance windfall?

The field of elder law, which began to take formal shape in the eighties, takes a holistic approach to solv-

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Merging generational households

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“spend down” assets to qualify for Medicaid in the event that such public benefits are someday necessary to fund long-term care. It may also make sense for parents to set up certain trusts which can be used to hold and manage assets.

Who gets the house?

While much emotion may attach to the fate of a childhood home, there may be very different levels of interest in actually living there. Still, each sibling will want his fair share of the proceeds. Estates can be structured so that a resident sibling can remain while other heirs are financially remunerated.

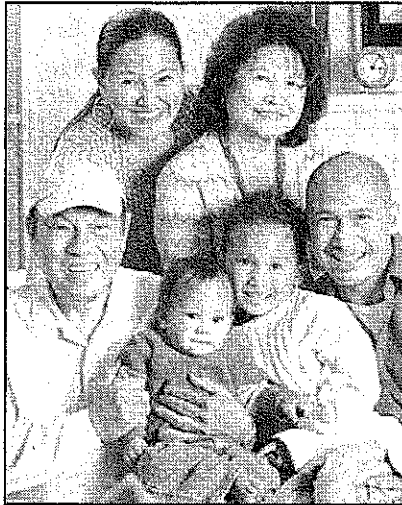
Health care proxy and power of attorney

Being onsite doesn't necessarily mean that an individual is best equipped for the responsibility of making medical, legal and financial decisions for a parent who has become incapacitated. Naming agents to assume these responsibilities is a deeply personal decision and candid family discussions should be held in order to explain the logic upon which it is based.

Long term care

Living with an adult child can be an attractive alternative to paying the high costs of institutionalized long-term care—which can approach \$200,000 annually in the New York metro-

politan area. There are ways to fairly remunerate such a caregiver, but family dynamics and tax considerations should always be considered. If on the other hand, professional care becomes inevitable, careful Medicaid planning, under



the guidance of an elder law attorney can protect the family home and other assets for a spouse who continues to live “in the community,” as well as for the heirs.

Navigating the elder care maze

Planning for elder care can be daunting for loved ones, whose every decision is likely to be colored by deep emotion. Family meetings are important, because without clear communication, misconceptions can thrive and tension can build. In our practice, we find that as parents begin planning for incapacity or death, issues that have been lurking in the background

for years may emerge. Siblings may voice objections about the appointment of a guardian or a financial strategy when, in reality, they are reacting to perceptions and family dynamics dating from childhood. Understanding and agreeing to the logic upon which various courses of action are based can enable family members to move beyond their personal concerns and act as a unit.

When the generations decide to cohabit, it can usher in years of intimacy that will build enduring memories. But without careful planning, those same years can prove unintentionally chaotic.

It pays to be clear-eyed about practical considerations in order to avoid painful, long-remembered conflict.

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Hudson Valley Business Journal

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WAPPINGERS FALLS, NY 12590
WWW.HVBIZJOURNAL.COM
845-298-6236

The Hudson Valley Business Journal USPS 002658 is published 52 times a year by the Wappingers Falls Shopper, 86 East Main St., Wappingers Falls, NY, 12590. Subscription rates: 52 issues \$35. Periodical Postage rate is paid at Wappingers Falls, NY, 12590 and at additional mailing offices. ISSN 1040-3000.

POSTMASTER: Send address changes to: Hudson Valley Business Journal, 86 East Main Street, Wappingers Falls, NY 12590.

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