

Power of Attorney- What is it & Do you need one?



Most of us may have an up-to-date Will, but how many of us have thought about who will manage our affairs if we are overseas or become incapacitated?

A power of attorney is a formal document giving another person the authority to make personal and/or financial decisions on your behalf.

Personal decisions relate to your care and welfare, including your health care, (e.g. deciding where or with whom you live or consenting to medical treatment).

Financial decisions relate to the management of your finances (e.g. paying your bills and taxes, selling or renting your home, using your income to pay for your needs or invest your money).

Your Power of Attorney can handle paying bills, managing bank accounts, overseeing investments, and preparing and filing tax returns on your behalf. Having a POA becomes important if you travel or work overseas for an extended period and also as you age and are no longer able to handle these duties.

Powers of attorney depend on which state or territory you are in: they can refer to just financial powers, or they might include broader guardianship powers. You will need to check with your solicitor or local Public Trustee.

Generally speaking, there are different types of power of attorney:

- A **general power of attorney** is where you appoint someone to make financial and legal decisions for you, usually for a specified period of time, for example if you're overseas and unable to manage your legal affairs at home. This person's appointment becomes invalid if you lose the capacity to make decisions for yourself.
- An **enduring power of attorney** is where you appoint a person to make financial and legal decisions for you if you lose the capacity to make your own decisions.
- A **medical power of attorney** can make only medical decisions on your behalf if you become unable to do so yourself.

You can prepare a few other documents to help your legal appointees and family as you grow older, including:

- An **enduring power of guardianship** that gives a person the right to choose where you live and make decisions about your medical care and other lifestyle choices, if you lose the capacity to make your own decisions.
- An **anticipatory direction** records your wishes about medical treatment in the future, in case you become unable to express those wishes yourself.
- An **advance healthcare directive (or living will)** documents how you would like your body to be dealt with if you lose the capacity to make those decisions yourself.

The documents you choose to draw up will depend on your situation, and the responsibilities you are happy to entrust to others.

Call us on 07 3328 8988 to book an estate planning focus session and to find out if a POA would benefit you.

Sources: IOOF, ASIC Moneysmart, Queensland Government

General Advice Warning

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