



Powers of Attorney (POA) Overview

Granting a power of attorney (POA) is a major commitment. It recognizes that at some point in your life you may be unable to handle your finances or make decisions about your healthcare. But even more important, it names a person you trust to make the decisions you would have made or that are in your best interest. However, you always have the right to handle your own affairs as long as you're able, and you can terminate the POA if you wish.

Choosing an Agent

If you're creating two powers, one for finance and the other for healthcare, you may choose separate agents for each, or you may select the same person for both roles. It's your choice and depends on the qualities you seek in an agent and whether one or more people seem qualified. If you're working with an attorney to prepare the power of attorney documents, it helps to make your choice before you meet to finalize the paperwork.

Comparing POAs

There are four types of power of attorney from which you can choose.

When you choose a POA for finance, there are situations in which any of the four might be appropriate. You might select a **limited** power of attorney if you needed an agent to stand in for you to handle a specific task or during a specific period of time. For example, this approach might be appropriate if you planned to be on an extended trip out of the country. With a **general** POA, on the other hand, you can grant as much authority to your agent as you wish. However, the agent's authority ends if you should become incapacitated and unable to handle your affairs.

A **durable** POA can grant whatever powers you wish, just as you can with a general power, but remains in force for as long as you live, whether or not you become incapacitated. A **springing** POA, like a durable POA, lasts until your death. However, it does not become effective until an event, such as you're being deemed incapacitated, occurs. You can specify in the POA document how incapacitation should be determined.

When you grant a healthcare power of attorney (HCPA), though, you generally choose between a durable or springing POA.

You should also check with your bank and other financial institutions where you have accounts about their individual power of attorney requirements. If separate POAs are necessary, as they may be, you and your agent will want to be sure these documents are in place as well