



Different types of Powers of Attorney

A power of attorney (POA) is a very important estate planning tool, but there are several different kinds of POAs that can be used for different purposes. Before signing this important document, understand what your options are.

A POA allows you to appoint an "agent", who is typically a trusted family member, to act in your place for financial or other purposes when and if you ever become incapacitated, or, if you can't act on your own behalf. There are four main types of POAs.

- **Limited.** A POA gives someone else the power to act in your place for a very limited purpose. For example, a limited POA could give someone authority to attend a real estate closing for you if you are unavailable. It usually ends at a specified time.
- **General.** A general POA is comprehensive and gives your agent all the powers and rights that you have yourself. For example, a general POA may give your attorney-in-fact the right to sign documents for you, pay your bills, and conduct financial transactions. You could use a general POA if you were not incapacitated, but still needed someone to help you with financial matters. A general POA ends on your death or if you become incapacitated.
- **Durable.** A durable POA can be general or limited in scope, but it remains in effect after you become incapacitated. Without a durable POA, if you become incapacitated, no one can represent you unless a court appoints a guardian. A durable POA will remain in effect until your death unless you rescind it while you are not incapacitated.

FOR MORE INFORMATION CONTACT:
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Different types of Powers of Attorney (cont'd)

- **Springing.** Like a durable POA, a springing POA can allow your agent to act for you if you become incapacitated, but it does not become effective until you *are* incapacitated. If you are using a springing POA, it is very important that the standard for determining incapacity and triggering the POA be clearly laid out in the document.

Regardless of what type of POA you use, it is important to think carefully about who will be your agent. Your attorney-in-fact will have a lot of control over your finances, and it is crucial that you trust the agent completely.

While many pre-packaged do-it-yourself POA forms are available, it is a good idea to have an attorney draft the form specifically for you. There are many issues to consider and one size does not fit all.

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