

***“Grandma, who will take care of me when you are gone?”***

### **Grandparents Raising Grandchildren**

In Illinois, over 100,000 grandparents are caring for grandchildren in their home. The average age of grandparents raising grandchildren is 57. As many of you know, taking care of a child in your younger years can be challenging, but raising a grandchild in what is supposed to be the golden years, becomes all-consuming, resulting in added financial and physical stress on the grandparent.

Grandparents, as caregivers, need to plan for who is going to take care of their grandchild when they are gone. This worry can be lifted by Grandma getting her estate planning in order. Specifically, Grandma can direct in her Last Will and Testament and/or Revocable Living Trust how she wants her assets to be managed for her minor grandchild, as well as naming a successor guardian and/or trustee to oversee the distribution of Grandma’s estate to the grandchild.

Estate planning is particularly important if Grandma has a potentially irresponsible child (*thus, the reason she is raising her grandchild*), who might take financial advantage of her. To avoid this, Grandma needs to have a Durable Power of Attorney for Property appointing an agent she trusts to handle her financial affairs when she is unable. Grandma also needs a Durable Power of Attorney for Health Care in place naming someone to make health care decisions for her when she becomes mentally or physically unable to do so. Grandma may also need to protect the minor’s estate from the child’s parent. Preserving assets for the next generation takes estate planning to make sure your hard earned money will be used according to your intentions.

Now is the time to get your estate planning in order and consider who will act as a successor guardian or caregiver for your grandchild in your absence. There are also tax benefits that grandparents, as caregivers to their grandchild (or other descendant), might be able to

receive in order to assist them with the financial burden of raising a grandchild. To name a few, low-income grandparents may be eligible for the earned income credit. They may also receive a tax dependency deduction if the grandchild is a descendant, has the same principal residence as the grandparent for more than one-half of the tax year, meets the age requirements (under 19 or student under 24), and has not provided more than 50% of their income to supporting themselves while living with their grandparent. Additionally, a widowed grandparent might qualify as unmarried head of household if the IRS guidelines are met.

Grandparents experience a great deal of physical, emotional, and financial stress while caring for their grandchildren, opening themselves up to the likelihood of increased illness and health problems. If you are a grandparent raising a grandchild, you owe it yourself and your grandchild to get your estate planning in order.

For additional information check out the Illinois Department on Aging's Grandparents Raising Grandchildren Program at [www.state.il.us/aging](http://www.state.il.us/aging). You can also contact the Internal Revenue Service at 1-800-829-1040 to obtain qualifying information for various tax credits that may be available to you as a grandparent raising a grandchild.

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| <p>Heidi E. Dodd is an attorney with Harter, Larson &amp; Dodd LLC<br/>with offices in Belleville and Mascoutah.<br/>The firm has an emphasis on intergenerational planning for estates of people<br/>of all ages, and for the concerns of elders and their families.<br/>This article is for information only and is not to serve as legal advice.</p> |
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