



Late-in-Life Issues: The Impact on Retirees and Caregivers and How Employers Can Help

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Employee benefit managers do not usually focus on planning beyond money and health for late in life, and many focus only on building sufficient retirement assets. It would be easy for employers to say that this age group is not their responsibility; however, this group includes the parents and grandparents of current employees as well as retirees of the organization.

Late-in-life planning typically targets the issues experienced by people age 85 and over or those with severe limitations, regardless of age. Many employees are spending significant time and energy helping their family members in this age group, and employers can help them patch gaps in family management through financial wellness programs. These programs can streamline the search for information and sources of professional help and coaching as well as provide tools and reduce stress.

In addition, addressing late-in-life concerns in financial wellness programs can help educate employees about how to incorporate such issues into their own retirement planning. Traditional retirement planning often ignores the opportunities and challenges of this life stage.

The Society of Actuaries (SOA) has been studying late-in-life issues and working on responses to them for the last ten years. This article summarizes some of the SOA work and of-

fers ideas for employers. Reports referenced include *The Journey Through Retirement* and *Retirement Experiences of People Age 85 and Over*.^{1,2} These reports include results from some focus groups for different life cycles and life situations, consumer survey findings with retirees and postretirees, as well as essays and other works. The consumer research extended over more than 20 years and led to SOA consumer guides, which are discussed in this paper and are available to the public.

AT A GLANCE

- Addressing late-in-life concerns in employer financial wellness programs can help educate employees about how to incorporate such issues into their own retirement planning and help them patch gaps in their care of family members who are 85 and over.
- Major societal issues that affect late-in-life situations include changing demographics, an increase in solo agers, increasing longevity, shortages of housing and caregivers, lack of expert planning help and changes in technology.
- Issues to be considered when planning for late in life include retirement planning and financial management, control of decisions, managing health care, creating a support network, as well as housing and transportation shortages.

This article will explain how issues for late-in-life retirement planning are different from those for traditional retirement planning and why they matter to employers. It will describe available resources and give employers ideas for responding to late-in-life issues in a way that can potentially improve employee productivity and reduce stress. Many employers have not focused on these issues, and this article may lead to discussions and experimentations to find solutions that will improve employee lives and employer business results.

Current Environment for Planning

Major societal issues affect late-in-life situations, including the following.

- **Changing demographics:** Population profiles have changed as Baby Boomers age and birth rates decline. Older people are greater in number and make up a higher percentage of the population. This trend will continue.
- **Increase in solo agers:** The number of people and percentage of the population who are solo agers (adults who are aging alone, such as those without a life partner or children) are increasing. Solo agers have different problems in dealing with health and cognitive decline because of major differences in the support system available to them.
- **Increasing longevity:** In future years, employers are more likely to have retirees over age 85 and employees with parents or grandparents over age 85.
- **Caregiver shortages:** These include shortages of nursing home staff and in-home caregivers.
- **Housing shortages:** There is a shortage of housing, such as small homes that require little maintenance or yardwork, accessible housing and assisted living facilities, that meets the needs of the 85-plus population. The shortage exists both for housing in senior communities and in the general community.
- **Lack of expert planning help:** There are currently few financial planners and other professionals who have specialized knowledge of the best life strategies for age-85-plus clients.
- **Changing technology and the emergence of artificial intelligence (AI):** This raises challenges and opportunities. AI greatly increases the potential for some types

of fraud and misinformation, but it can make it much easier for people to manage and respond to emails and keep track of appointments.

Financial wellness programs can help individuals identify the types of assistance and professionals they require as well as where to find these resources.

What Are the Issues When Planning for Late in Life?

Retirement Planning and Financial Management

Traditional retirement planning has focused on finances (accumulating and investing money as well as drawing down assets during retirement) and health care—specifically how to finance health care. Late-in-life planning focuses on new financial issues such as avoiding fraud and managing money when the individual is no longer capable of doing so.

Financial management can be particularly challenging. In addition to managing one's retirement income sources (e.g., Social Security, investments), individuals can start having difficulty making sure bills get paid and avoiding potential scams and fraudsters who prey upon the elderly. Having a backup plan in case of temporary or permanent inability to manage finances is very important.

Professionals, such as financial advisors and accountants, can help with major issues. The route to success is finding a partner or advocate to make decisions and support investments, plus a solution for day-to-day management, which could include a daily money manager. A family member often plays this role, but the individual may not have an available, reliable family member, or the family member may not be available on a day-to-day basis.

To further complicate these issues, helpers must obtain permission through legal documents to interact with outside professionals. In all matters where helpers are making decisions on behalf of the older person, it is important that they understand the principal's opinions and requests.

Control of Decisions, Legal Documents and Professional Help

One of the key questions for older individuals is who will control decisions about what happens to them (e.g., health care decisions) while they are still alive and after they die

(e.g., funeral arrangements). A huge challenge later in life is that with more limitations—particularly cognitive decline—people who are accustomed to being fully in control may find that they have lost control if they do not put the appropriate structures in place, such as wills, trusts, powers of attorney documentation, or Health Insurance Portability and Accountability Act (HIPAA) forms. These documents are subject to state and federal law and must be drafted, executed and kept up to date. Once the documents are executed, their instructions must be followed (e.g., obeying a do-not-resuscitate order). Failure to have appropriate documents properly executed means that the matters must be resolved in the court, which can be expensive and lead to a loss of control.

One of the most important legal decisions for older individuals is whether to have a trust and what the trust does. For example, the trust owner might decide to distribute the money slowly, direct a trustee to handle distribution to each beneficiary differently or specify what the money can be used for.

Managing Health Care

For health care, the emphasis shifts to where to get care and how to interact with the health care system. It is very common for high-age individuals to deal with multiple professionals, have multiple health challenges and take multiple medications. An individual is responsible for making decisions about their own life, and dealing with these issues can be overwhelming. As with finances, the route to success is a partner or advocate, including someone to handle issues day to day. These people also need to understand preferences and have the legal documents to grant them authority.

Managing health care decisions was often relatively easy with employer-provided benefits but, as people age, it may become increasingly challenging. Points that should be covered in health care planning include the following.

- Strategies to maintain health
- Prescription drug plans
- Medicare and Medicaid
- Long-term care options

Housing and Transportation

Housing and transportation are important to daily living at any age. Even though housing may represent a large part of

Special Issues for Solo Agers

Some elderly people are solo agers with no family members or other contacts available or trustworthy to help them with issues managing money or their health.

Providers offer help on a fee-for-service basis. It is critically important for solo agers to choose a support system and give them the (1) the authority to make choices on their behalf, (2) all necessary personal information, and (3) a clear understanding of their desired wishes and decisions.

Solo agers can create a different set of concerns for employers. Benefit administrators may need to manage a unique set of challenges if their retirees are solo agers who become unable to manage their affairs while still collecting benefits.

assets and expenses, it is often not included in financial planning. As people develop limitations, housing and transportation issues assume much more importance. Accessibility in housing is a key issue, as well as access to supportive services.

Housing and transportation go beyond just where people live and how they get around. Decisions can include identifying changing needs and managing the timing and manner of transitions. Topics that should be covered include the following.

- Adjusting to a household of one
- Living with family or friends
- Updating a current home to make it more senior-friendly
- Downsizing, relocating and transitioning when more support is needed
- Obtaining help at home
- Transportation options and getting to needed and desired activities

Creating a Support Network

Retirees may need help with life's challenges, but recognizing when it's time to seek assistance is not always easy, especially when cognitive decline occurs. Sometimes, the need is easy to identify, such as hiring a housekeeper when physical limitations make housekeeping difficult. Other times, the need is dif-

difficult to identify, such as knowing when to seek help with day-to-day financial management or an attorney for legal issues. Having a support network is critical to managing these and similar challenges. Identifying help needed is only part of the problem. Finding help can be very difficult. The longtime shortage of caregivers is expected to get worse. This is a particularly important area for employers because family members may see no alternative other than to fill in the gaps themselves. This may occur without any notice and be very disruptive at work.

Table I summarizes the limitations that late-in-life individuals may develop.

Resources for Employers

The key question for employers whose workforce is affected heavily by issues faced by their parents is whether to offer benefits, such as a financial wellness program or an employee assistance program (EAP), that help employees respond to their parents' issues. Additional decisions include how much assistance the employee benefit should

provide and how much financial support (such as limited respite care, subsidies to help pay for long-term care insurance, preferred or discounted access to day care centers or adult day care, etc.). From a business perspective, the offset to the cost is reduction in employee stress and time lost from work while dealing with issues that fall into their lap.

Employers that want to help employees with these issues should utilize resources from reliable, unbiased sources. Table II provides suggestions.

TABLE I

Assistance Requirements by Degree of Physical and Mental Limitations

Topic	No Limitations	Moderate Limitations	Major Limitations
Definitions	Individual is independent and does not require assistance.	Individual requires limited assistance.	Individual requires major assistance at home or in a special residence.
Health care	The main concerns are staying healthy, having the right health care providers and financing, and managing their own health and health care. Lifestyle choices have a big influence on health. It is important to have a plan for the future and good knowledge of medical history.	The main concerns are staying healthy to the extent possible, having the right health care providers and financing, and learning to live with limitations. Individuals are likely to have more medical visits needing coordination and maybe an advocate to help. Those who can't handle it on their own need an advocate.	A lot of help is probably needed with medical appointments, asking necessary questions, complying with medical advice, choosing the right strategies and making good decisions. Manage all medications and methods of assistance. Legal issues include Health Insurance Portability and Accountability Act (HIPAA) authorizations, living wills and power of attorney documents. Ensure the needs of family caregivers are being met.
Finances	Organize the management of finances and plan for the future. Don't forget about fraud risk.	Provide needed transitional support. Include a system to ensure that there is appropriate control.	Make arrangements for managing finances and paying for care
Support network	Build awareness of support that might be needed and plan for the future. This can have big impact on employees who are part of a support network.	Establish a network. Start using support as needed.	Expect to use the support network extensively.

Source: This chart was adapted from a chart prepared for the *Late-in-Life Decisions Guide*.


Note: If one member of a couple requires assistance and the other does not, the partner is often the first source of assistance. It is not uncommon for them to need assistance later on if (1) both start needing help, (2) the caregiving partner can't provide all the help needed, or (3) the caregiving partner needs relief and time off.

Consumer Research Findings

Some key findings from the consumer research on the late-in-life group are as follows.

- Many people are not planning for the longer term. Some do no planning at all, and others focus on their cash flow but don't consider risks, family, change and other issues. It is fundamental that longer term planning is more helpful for retirement.
- Those in the population who have lower economic resources are financially fragile, and many struggle to pay monthly bills. Planning is not a useful idea until they are stabilized. Helpful strategies for this group include reducing expenses, paying off high-interest debt or earning more money.
- A segment of the population lacks basic financial and numeric literacy, can't calculate percentages or compound interest, and doesn't understand investments. Financial planning issues vary by life stage and financial situation. Financial planning often progresses in the steps below.
 1. Become financially stable.
 2. Establish and follow a savings program to build up assets.
 3. Midlife: Plan to establish a path, continue saving and investing, evaluate progress against the plan and make adjustments as needed.
 4. Nearing retirement: Make decisions about retirement and start to implement them. At some point, start withdrawing money from investments. Investing is very important at this stage, as well as evaluating progress and continuing adjustments.
 5. During retirement: Many things change, and decisions are needed about how to adapt. The plan then needs to be reevaluated and adjusted.
- Late-in-life planning recognizes three basic situations: no limitations, moderate limitations and major limitations. Limitations can be physical (including mobility, sight, hearing, ability to use hands and more) as well as cognitive. The SOA research findings on those 85 and over move away from a focus on investments to a heavy emphasis on how people deal with limitations. One of the biggest findings relates to the role of family. Relatively few families plan for limitations, but when people need help, family often steps in. Family help goes in both directions—Parents help children and adult children help parents. Many retired parents help children, and this can cause a major drain on retiree households when the children are not managing well and need ongoing help.
- Many adult children help their parents with decisions and day-to-day needs, including tasks such as driving, household chores, financial management and hands-on care. The *Age 85 and Over* report details the types of help provided. The need for help can increase gradually or quickly and substantially because of an accident, stroke or other event. This affects employers because employees' lives are disrupted, particularly in emergency events.
- Later in life, it is common for people to use a number of doctors and frequently access the health care system. They often take multiple medications and may need help with keeping track of them and taking them properly. They also need help identifying the types of doctors to see, finding them, making appointments, getting to appointments, figuring out what questions to ask, listening to their doctors and following instructions. They may also face situations where they do not agree with medical suggestions or where multiple professionals provide different advice, so they help to investigate further and decide on the best recommendation. They also may have records in multiple locations and need to have a concise summary of key information.
- Money management systems may also need to be adapted. It is quite common for people to lose the capability to manage their money and, in some cases, to identify, find and pay their regular bills. They may also not be able to assemble the information needed for the payment of taxes.
- Traditional planning focuses on managing money and taking care of health issues. Having the right support system, which works hand in hand with this, is a vital part of late-in-life planning.

Summary

Planning for late-in-life issues is crucial for employers and employees because it impacts current workers who may support their aging parents and grandparents. Employers may want to consider offering benefits such as financial wellness programs to assist employees in managing these challenges effectively. 

Endnotes

1. *The Journey Through Retirement*. Anna Rappaport. Society of Actuaries (SOA). www.soa.org/498452/globalassets/assets/files/resources/research-report/2021/research-journey-retirement-report.pdf.

2. *Retirement Experiences of People Age 85 and Over*. Anna Rappaport. SOA. www.soa.org/globalassets/assets/files/resources/research-report/2019/retirement-experiences-people-over-85.pdf.

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TABLE II

Publicly Available Late-in-Life Planning Resources

Resources	Comments and What the Resource Offers
<i>Late-in-Life Decisions Guide</i> from the Society of Actuaries (SOA) and Financial Finesse	For consumers: Offers guide to consumer decisions needed to prepare for limitations and focuses on four major areas: managing money, health and wellness, housing and transportation, and support. Includes many references.
<i>Retirement Experiences of People Age 85 and Over</i> from the SOA	This report summarizes a series of consumer research and a conversation about dementia to provide an overview of how this age group manages, how they view planning and what help they are getting. This is important background data for the SOA's <i>Decision Guide</i> .
<i>Thinking Ahead Roadmap: A Guide for Keeping Your Money Safe as You Age</i> from AARP and the University of Minnesota, research supported by the SOA	This guidebook (also available as a website) outlines how to implement a plan to keep your money safe.
Local resources	These include area agencies on aging, village-to-village organizations, senior centers and city representatives for neighborhoods
More background research from the SOA: <i>Family is Important to Retirement Security</i> , <i>The Journey Through Retirement</i>	The SOA offers reports that summarize a variety of research on the role of family in retirement and planning for retirement, as well as consumer information at different stages of retirement.
Federal resources to help with personal money management, including mymoney.gov , investor.gov	These websites list resources from various agencies. Investor.gov provides information about advisor types from the U.S. Securities and Exchange Commission (SEC).
For information about Social Security and Medicare, visit ssa.gov and medicare.gov . For free counseling about Medicare options, utilize the Senior Health Insurance Program, administered locally.	Also, Social Security local offices provide services to answer Social Security questions. Websites include helpful tools, particularly for annual Medicare choices. The Senior Health Insurance Program offers access to counselors.
Information about health care preferences	<i>Five Wishes</i> is a well-accepted guide for defining and documenting health care preferences.

Note: Several federal agencies currently offer good resources for late-in-life issues, but as of the date of publication, it is unclear what will be available going forward and where it will be located.

Source: Created by author.

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