

# Pattie Lovett-Reid: What every Canadian needs to know about power of attorney

By [Pattie Lovett-Reid](#)

We all need to appoint power of attorney regardless of our age.

If for some reason you are unable or unwilling to manage your finances, someone you trust needs be able to step in and handle your finances for you. Ideally, an enduring power of attorney is the route to go in the event you become mentally incompetent.

If you don't have any limitations in your document, your attorney can do your banking, sign cheques, buy or sell real estate and buy consumer goods. Your attorney does not become the owner of any money or property, they only have the authority to manage it on your behalf.

Your attorney cannot make a will for you, change your existing will, change a beneficiary on a life insurance plan, or give a new power of attorney to someone else on your behalf.

No one should pressure you and it takes effect as soon as you sign in.

Advantages:

- Makes it clear who will be responsible for your money and property if you can't manage them on your own, even temporarily.
- Your attorney must manage your money and property for your benefit and can be required by law to account for and explain how he or she is managing it.
- Flexible
- Can be as general or specific as you need.
- You can choose to appoint two or more attorneys. You can require that your attorneys make all decisions together ("jointly"), or to act separately if one of them is unavailable ("jointly and severally"). You can also appoint alternate or successive attorneys. This will help to reduce the chance of fraudulent activity.

## Risks:

- May make you vulnerable to financial abuse.
- Can lead to mismanagement of your money and property if the attorney you choose is not trustworthy, uses your money improperly, or does not make decisions that are in your best interest.
- Not enough information or limitations in the document could lead to the mismanagement of your finances or to your finances being managed in a way that you do not agree with.
- Your attorney must manage your affairs in the way that you direct in the document. Strict limitations can make it difficult for your attorney to take care of your finances.
- If you appoint more than one attorney to act jointly, disagreements between them could cause problems and lead to delays in the management of your financial affairs.

This is not a static document. As you age, your financial situation changes, the family dynamics may be altered you need to review the plans you have in place to ensure they reflect your wishes.