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The Cohab Workbook: Families

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You've decided it makes sense to become a multi-generational household. This can be great (and, of course, was traditionally how many families always lived). It can provide support for support in all directions. Grandparents may provide babysitting for grandchildren while parents are working. Children may provide support to older parents as they age.

But it can also be fraught if things don't work out as planned or if different individuals' plans are not in line with one another. Children may not anticipate the burden of caring for an ailing parent. If everyone is living in a parent's house, who should receive it when the parent passes away? What if both parents and children contributed to the cost of the property? How should living, rent or house maintenance costs be shared? What happens if one of the children passes away or gets divorced? Or simply everyone gets on everyone else's nerves?

It's difficult to anticipate any and all situations that might arise. So, it's important to maintain communication both among the people living together and other family members.

The purpose of this workbook is to act as a starting point. All adults who are living together or contemplating living together should fill it out independently. Then you can compare notes and come to agreement on what makes the most sense for all concerned.

There's no right or wrong answer or one-size-fits-all solution. What's important is that all of you go into this on the same page, with a full understanding of one another's expectations. Of course, those expectations may change over time or be altered by reality. You can always change your agreement.

Whatever you agree on, it's important to put it in writing. This serves several purposes, including:

1. It makes sure you're on the same page. Oral discussions can be vague. With no discussion, you have no idea if your expectations are the same or different.
2. It brings up new issues. The act of writing down agreements makes them more concrete and brings up issues you will not think of without taking this step.
3. It's an aid to memory. No one's memory is 100% accurate and you may be surprised by what you agreed to or thought years earlier.
4. It's a record for third parties. Other family members are less likely to object to your arrangement if its written down. If it's not written down, they may imagine you have different expectations for your relationship than the reality.



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FAQs

Is the agreement legally enforceable?

Yes and no. If you all sign the agreement, it is a contract and is legally enforceable. But what does that mean? That if you go to court seeking an order that the terms of the agreement be followed or that you receive monetary compensation (money) because it hasn't been followed, you could win. But who really wants to go to court with the cost, stress, time, and delay involved? No one. Of course, the threat of going to court could be persuasive in convincing all involved to follow the terms of the agreement. But everyone's much better off if things never get that far and you see the agreement as a roadmap that you (and potentially heirs or family members) will follow in total good faith.

Should we use a lawyer (or lawyers for each of us)?

Perhaps, but start without a lawyer. If you run into difficulties or questions you can't answer without legal advice, then retain a lawyer. You'll only need separate lawyers if your situation is complicated, or you definitely want your agreement to be legally enforceable as much as a guide to how you will live together.

Do we need to change our estate planning documents?

Perhaps. This depends on what you agree. For instance, if you agree that you want the house to pass to your child who is caring for you but want your estate to be equalized to some extent by giving your other children a greater share of your other assets, you will have to reflect this in your estate plan.

Can we change the agreement?

Yes. As long as you all agree, you can change this agreement anytime and as many times as you like.



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Questions to Ask and Answer Before Moving in Together

You may choose to answer these questions together or answer them separately and then compare your responses.

Living Expenses

1. How will you share living expenses? This may include rent, mortgage payments, real estate taxes, utilities, food and entertainment.

2. Who will pay for bigger-ticket items, such as home repairs or additions? Will this be reflected in home ownership or the distribution of proceeds if the home is sold?



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Moving Out

3. What happens if anyone moves out or everyone does? This is especially important if you're living in a home with shared ownership or the person who moves out is the owner. For instance, a parent may own the house but have to move to assisted living or a nursing home. In that case, can the other family members stay in the house? If not, how much time will they have to find a new place to live?

Illness

4. What happens if one of you becomes ill or suffers from dementia? Will the others care for him or her? For how long? Are there resources to hire caregivers? If family members provide care, will they be compensated? If so, how much and how will this be determined?

5. Who will decide how those resources are spent?



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6. If the owner of the home must move to an assisted living facility or nursing home, what will happen with the house?

Death

7. What happens when someone passes away, especially if he or she is an owner of the home? If the house will not pass completely to the others living there, how long will they be allowed to stay in the home?



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8. Will they be provided any financial support? If so, how much?

9. Will any of the above be incorporated into estate planning documents? If so, in what way? Should health care proxy or durable power of attorney designations be changed?



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Other

10. Are there any other topics you should discuss or agree on?
