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Rural Law Center of New York, Inc.

## **POWER OF ATTORNEY IN NEW YORK STATE**

### **BACKGROUND**

A Power of Attorney is a powerful legal document that allows a person (the Principal) to grant certain legal powers to a person of his or her choosing (the Agent). Generally, a Power of Attorney gives the person you choose the power to manage your assets and financial affairs while you are still alive. This legal document must be signed when the Principal has the full capacity to understand the powers being given. If the document is a durable Power of Attorney, the powers granted will continue even if the Principal becomes incapacitated.

### **CHANGES TO THE LAW**

As of September 1, 2009 there are major changes in the law concerning Powers of Attorney in New York State. These changes in the law were made specifically to protect the Principal. The new law makes sure that the Principal completely understands the powers that he or she is giving to the Agent. These powers include the granting of power to transfer assets or make gifts, as well as to change beneficiaries on life insurance policies, annuities and retirement accounts. If you signed a Power of Attorney prior to September 1, 2009, your document remains valid and in full effect.

### **OUR SUGGESTION**

Since the change in the law is so significant, we strongly suggest that you consult an attorney if you wish to execute a Power of Attorney in New York. As you can see in the brief description above, the new Power of Attorney law is much more complicated and should be carefully considered and executed with legal advice. Although, the new law was enacted in order to offer the fullest possible protections, each situation is unique and can be best addressed with the assistance of an attorney.