

# POWER OF ATTORNEY FORM – NEW CHANGES

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Recently, New York Law governing power of attorney forms was amended with changes to go effect June 15, 2021. Among other things, these changes allow less rigid language to be used in power of attorney forms and discourage banks and other financial institutions from unreasonably rejecting them; in other words, more effective in operation.

**What is a power of attorney?** A power of attorney is a form that a person (the Principal) may use to grant powers and authority to another person (the Agent or Attorney-in-Fact) to handle financial transactions for the Principal (e.g., banking, paying bills, etc.). It is particularly important if the Principal becomes disabled and cannot handle his/her own affairs.

**Why has the law changed?** The currently approved power of attorney form was found to be too complex, costly and difficult for individuals to use. It rigidly requires the exact language of the statute be incorporated in power of attorney forms, causing many not to be accepted by banks and other financial institutions for harmless errors.

**What changes were made?** The new law makes rejection of the document less likely because it allows language that “substantially conforms” with the statute rather than requiring the form to incorporate the exact wording of the statute. Forms can no longer be rejected for insignificant

mistakes in wording, spelling, punctuation, formatting, or use of bold or italic type. It also discourages banks and other financial institutions from improperly refusing to accept the form by authorizing judicially imposed penalties and attorney fees against institutions that unreasonably refuse to accept a valid power of attorney form.

**The Statutory Gifts Rider has also been eliminated.** The changes to the law also make it simpler to grant an Agent the authority to make certain gifts. Now, such gift giving provisions may be included in the main body of the power of attorney; while before, they had to be in a complicated separate document called the “Statutory Gift Rider”, which also had to be completed and signed by the Principal, often causing confusion.

**Have your Power of Attorney Reviewed.**

While power of attorney forms executed before these changes in the law remain valid, this may be a good time to have your existing documents reviewed by an attorney under the Fund’s comprehensive plan of legal services benefits. If you and/or your spouse do not have a power of attorney or other important documents covered by the Fund’s plan (e.g., will, healthcare proxy, living will, disposition of remains directive, etc.) you should contact the Fund to make an appointment with an attorney from the panel law firm, which can be conducted at your convenience via telephone or video conference.

