



Do you have a child, or grandchild about to turn 18?

Turning 18 is a defining age in the U.S. – it's when a child become a legal adult. Once 18, the child becomes legally entitled to his or her privacy and their parents no longer have the same access or authority over his/her financial, educational or medical information. An important aspect to becoming an adult is planning for the unexpected. There are at least three crucial estate planning documents that need to be put in place upon reaching the age of 18:

Health Care Proxy with HIPAA Release

Under the Health Insurance Portability and Accountability Act, or HIPAA, once a child turns 18, the child's health records are now between the child and his or her health care provider. Without a HIPAA release, parents may have difficulty receiving medical updates or even critically needed information, such as whether their adult child has even been admitted to a particular medical facility.

A health care proxy with a HIPAA release enables the adult child to designate their parents or another trusted person to make medical decisions in the event they are unable to convey his or her wishes.

For residents of the state of Oregon, you can find the advance directive form here:
https://healthcare.oregon.gov/shiba/Documents/advance_directive_form.pdf

2. Durable Power of Attorney

Like medical information, an 18-year-old child's finances are also private. If the adult child becomes incapacitated, without a durable power of attorney their parents cannot access their bank accounts or credit cards. If the parents needed to access financial accounts in order to manage or resolve any problem, they may have to seek the court's appointment as conservator of their child.

A power of attorney can also be helpful should issues arise when your child is away at college or traveling. For example, if your daughter is traveling abroad and an issue comes up where she cannot access her accounts, a durable power of attorney would give the parents or another trusted person the authority to manage the issue. While a joint account with a parent may be an alternative, it is typically not recommended.

3. Will

In the catastrophic event that an adult child predeceases their parents, their assets may have to be probated. In most states the inheritors would be the parents. However, your child may wish to leave some tangible property and financial assets to other family members or to charity.

A will may be less important than the health care proxy, HIPAA release or durable power of attorney. However, we believe having all three components of an estate plan can prevent the parent from having to go to court to obtain legal authority to make time-sensitive medical or financial decisions for their child.

If you have a child (or grandchild) who is approaching adulthood, we encourage you to talk to your estate planning attorney about having the child execute these three important documents.

If you are a client, and we have information on your beneficiaries under age 18, you will automatically get a reminder from us when the child turns 18.

Please let us know if you need any assistance with this process, we are happy to help.

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