

Important Considerations When a Child Turns 18 Years Old

A child's 18th birthday is an exciting milestone as they legally transition from childhood into adulthood. Although they may still be living under your roof, there are important legal changes that come with adulthood that can lead to issues if not addressed early enough. Below, we have compiled a checklist of important things to consider when your child turns 18.

FERPA (Family Educational Rights and Privacy Act) Release

FERPA deals with all things academic related. Once a child turns 18, they must release authorization for academic records to be shared with parents. This includes high school and college records. Typically, schools will send information about this to parents prior to them turning 18. This form is required to be signed by your child.

HIPAA (Health Insurance Portability and Accountability Act of 1996) Authorization

HIPAA rules dictate who is able to receive medical information. If your child has turned 18, but has not granted you HIPAA authorization, you will not be able to receive medical information in case of an accident or medical emergency. The authorization can have specific limits or be a "blanket" authorization.

Medical Power of Attorney

Where as HIPAA grants you access to medical records, having a Medical Power of Attorney grants the ability to actually make medical decisions on behalf of a child if they become physically or mentally incapable of making their own decisions. This form needs to be signed by either two witnesses or a notary public to be legally binding in Oregon.

Living Will

Different from a Medical Power of Attorney, a living will would be set up by the child outlining how long they would like life-sustaining treatment to be continued in the case of incapacitation.

Durable Power of Attorney

This grants a parent the right to manage a child's financial affairs if they are incapacitated or otherwise unable to attend to them. Similar to the medical power of attorney, this can have specific limits or be a "blanket" authorization.

Applying for credit

A child can start to build credit once they turn 18. Starting early and building history will help later when they are applying for mortgages, car loans, etc. A low-limit credit card is a great way to get credit started and teach the importance of paying the credit card off every month.

Credit Freeze/ Credit Monitoring

Something we recommend to all our clients, credit freezes ensure no one opens up new credit accounts in your name without your knowledge. This involves reaching out to the three credit reporting agencies: Equifax, Experian, and Transunion, and requesting a credit freeze either through their website or by phone. Make sure to keep your PIN secure so you can unfreeze later if needed! Also, a smart idea to confirm credit monitoring is set up as a backup. Young adults will also need to ensure their social security card in a secure location.

Custodial Accounts (UTMAs)

No need to worry about these accounts quite yet, as they don't need to be transferred to the child's ownership until age 21 in Oregon and Washington. We will connect with you prior to your child's 21st birthday to ensure a smooth transfer of funds.

The time around a child's 18th birthday is usually an extremely busy and exciting time with graduations, moving, and college all coming so quickly and it can be easy to forget about the above financial and legal considerations. However, having these conversations early can help set your child up for an easier transition into adulthood.

We are here to help

Please contact our office if you have any questions or need any additional assistance at 503.446.6450.