



## ADULT CHILDREN AND TURNING 18

The legal implications of turning 18 are profound. Your child can now vote; they could potentially be sued (or even jailed); they are on the hook for any loans or lines of credit they take out; and, in the case of young men, they must register for the Selective Service.

If you opened any Uniform Gift to Minors Act (UGMA) or Uniform Transfer to Minors Act (UTMA) accounts on their behalf, or your child received an inheritance as a minor that was held in a custodial account, those accounts now belong to them, too — unless a different age, like 25, was specified.

### HEALTHCARE PLANNING

We recommend that young adults sign a medical power of attorney document when they turn 18, which appoints an individual to make health care decisions on their behalf should they become incapacitated due to serious injury or illness. In Indiana this is called the **Durable Healthcare Power of Attorney and Appointment of Health Care Representative**.

A power-of-attorney (POA) is a written authorization to represent or act on another's behalf in financial affairs, legal matters, and healthcare transactions. The person named in a power of attorney to act on your behalf is commonly referred to as your "agent" or "attorney-in-fact." The person granting power to that attorney-in-fact is referred to as the "grantor".

**NEXT STEPS:** *Please keep the original POA document with you – a copy of the POA has the same force and effect as the original. We will provide you with additional copies and strongly suggest that you provide a copy of this document to your AGENT or ATTORNEY-IN-FACT and your primary care doctor.*

 *Provide copy of POA to GRANTOR'S primary care doctor*

**HIPAA Patient Authorization.** After your child reaches the age of majority at 18, the privacy of their personal health information is also protected under the Health Insurance Portability and Accountability Act, known as HIPAA.

Health care providers are not legally permitted to disclose a patient’s medical record or even discuss their health status or treatment recommendations with anyone—even the parent of a young adult who is still on their parent’s health insurance plan.

To grant their parents (or another trusted adult) access to their records and permission to speak with their health care providers, your adult child must sign a HIPAA medical information release form and name the individuals to whom they grant access.

***NEXT STEPS:*** *We have attached a copy of this document to your POA, so no additional steps are necessary.*

## **FINANCIAL PLANNING**

Most young adults still need financial and emotional support from Mom and Dad, including coverage under their parent’s health and auto insurance plans. This type of Power of Attorney enables the parent to handle their child’s financial affairs (pay their student loan bills, make car payments, access their bank accounts, pay taxes) if they were to become incapacitated—or even choose to study abroad.

With a valid power of attorney, your agent can take any action permitted in the document. Often your agent must present the actual document to invoke the power, and may sign with “YOUR NAME” by “THEIR NAME”, POA.

***NEXT STEPS:*** *You may need to provide this document to a financial institution or company to handle transactions.*



*Provide copy of POA to bank or credit union if necessary*

## ESTATE PLANNING

**Naming TOD/POD Beneficiaries on Bank/Financial Accounts.** While your adult children are young, we highly recommend that they name you, their parents, as their Payable on Death (POD) or Transfer on Death (TOD) beneficiaries on banking accounts and investment accounts.

### ***NEXT STEPS:***

 *Contact banks and other financial institutions to name TOD/POD beneficiaries on bank accounts, investment accounts, and retirement accounts.*

### **FERPA Waiver (*Optional*)**

The Family Educational Rights and Privacy Act, or FERPA is designed to protect the privacy of educational records, including report cards, disciplinary actions, and test results. FERPA permits parents to access those records, request corrections as needed, and determine who else gets to see those records when their child is a minor.

When the student turns 18, however, or enters postsecondary school (college) at any age, their academic record becomes solely their own, regardless of who pays the tuition. Most colleges will not release education records to parents without the student's written consent — a FERPA waiver.

(In certain cases, in which a college feels that the health or safety of one of its students is at stake, or a student is caught with possession of drugs or underage drinking of alcohol, FERPA does permit the college to contact the parent or legal guardian without the waiver. But it does not require it.)

The FERPA waiver is optional. Some parents insist that their child sign the FERPA waiver so that they can continue to be involved in their academic experience. Others decide that their child is now an adult and that their college performance, for better or worse, is up to them. There's no right answer. The important thing is to discuss the FERPA waiver with your child as they head off to college and decide together what feels right for your family.

Please be sure to contact our office if you have any questions regarding any aspect of your estate plan. We thank you for the opportunity to be of service to you and your family.

Sincerely,

Jamie E. Harrell  
HARRELL LAW LLC