

# Summer Action Items

## Two Key Planning Documents for Young Adults

Ahh, it's the season. Newly minted "adults" going off to college or starting careers. You may have noticed that while they are now "adults," your parenting role has not ended. However, your right to access financial records and make medical decisions ends at age 18 in New Jersey and New York. What is a parent to do? Consider a Durable Power of Attorney and a Living Will/Medical Directive.

While your children may not have accumulated sufficient assets to begin thinking about comprehensive estate planning, the absence of these two key documents could unnecessarily complicate your family's life if your child becomes ill, incapacitated, or is simply living abroad.

Once a child reaches age 18 (the legal age of majority in most, but not all US states), the law considers them an adult. As hard as it may be for a parent to accept, this means you no longer have the legal authority to make financial, legal, or medical decisions on your child's behalf.

**If a child becomes incapacitated or needs medical care due to an accident or illness, parents may not have access to the child's medical information or participate in medical decisions due to federal and state privacy laws.**

For example, the federal law known as HIPAA (Health Insurance Portability and Accountability Act) protects private medical information and only allows disclosure to be made to an authorized representative. Doctors and hospitals cannot automatically release medical information to parents without the proper authorization granted in a Living Will/Medical Directive. In addition, if a child becomes incapacitated and her parents do not have a valid Durable Power of Attorney, the parents cannot legally manage the child's financial and legal affairs without going to court to be appointed legal guardians. In less dire circumstances, you may use the Durable Power of Attorney to help manage the child's finances while they are studying abroad or learning how to manage their own finances.

**Durable Power of Attorney** – The child names one or more parents (the "Attorney-in-Fact") with authority to make financial decisions for the child, either at any time or if the child cannot do so for him/herself.

**Living Will/Medical Directive** – The child decides what type of medical care they want and names a parent (the "Health Care Representative") to have the ability to access their medical records and make medical decisions.

If your children have recently become adults, we can help you put in place suitable Durable Powers of Attorney and Medical Directives to assist them in the event of an accident or illness, or to simply help them with their finances.

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