

Preparing Your Senior for the Real World

High School Seniors Can Use a Starter Estate Plan

The long, carefree days of summer are nearing an end. If you have a high school senior at home, childhood is also coming to an end for them as they prepare to graduate, turn 18, and enter the “real world.”

You have done everything you can to prepare your child mentally, emotionally, and financially for what comes next. But are they—and you—legally prepared for their official start of adulthood?

Soon, your child will be able to vote, get married, and sign a mortgage. They will also be emancipated from your parental authority. This means that, without signed legal documents, you could find yourself helpless to intervene in an emergency or other situation where your adult child requires aid.

Adventures in Adulthood

Parents never stop being parents. No matter how old our kids are, we feel compelled to nurture and protect them. However, our ability to do so is severely limited once our kids turn 18.

It is debatable whether an 18-year-old is truly an adult. Scientists who study the brain say the transition to adulthood is cognitively much more nuanced and, for some, brain development is not complete until people reach their late 20s or early 30s.

Brain research helps explain why many young people engage in risky behavior well beyond the time they reach the age of legal adulthood. The transition out of adolescence is fraught with potential health risks.

The point here is not to scare you but rather to prepare you and your soon-to-be adult child with the resources to meet unexpected possibilities head-on.

Although you may recognize the dangers that await your child in the adult world, you may be unaware that if something happens to them and they have not signed certain estate planning documents and cannot communicate their wishes, you will likely have to petition the court before you can obtain information about them and make decisions for them. And that takes time you might not have.

It does not have to be something bad, like an accident, that triggers the need for a trusted decision-maker. Maybe your child plans to enter the military, attend an out-of-state university, or travel abroad after they graduate. Whatever their plans are, they should have a basic estate plan when they turn 18.

The 18-Year-Old’s Estate Plan Starter Pack

While an 18-year-old may not need a full estate plan, they should at least prepare a few forms that address the new reality of their legal independence and the fact that a parent no longer has the right to manage their affairs.

Powers of Attorney

A power of attorney (POA) document authorizes someone else to act on your behalf concerning the circumstances laid out in that document. Depending on state law, POAs can take effect immediately, at a future date, or upon a specific condition being met (e.g., incapacity due to injury or illness). The latter is known as a *springing* power of attorney.

A POA can be broad in scope or limited only to those actions and types of decisions outlined in the document. Also, states have different rules governing POAs, and more than one form may be required if your child is changing their residence to a different state than you.

- A *medical power of attorney* allows an adult child to designate another person to make medical decisions for them. For example, it could allow you to step in and direct your child's care in a medical emergency.
- A *financial power of attorney* grants a designated person the authority to conduct financial and legal matters, such as paying bills, filing taxes, and managing banking and investment accounts, on another's behalf.

Advance Directive/Living Will

Young people tend to feel invincible. But contemplating mortality, and planning for it, is a part of growing up.

One way to plan for a health crisis is with an advance directive or living will, which is a set of instructions that a person uses to outline their healthcare wishes if they suffer a debilitating injury or illness and are unable to communicate. It will specify end-of-life medical treatment preferences such as whether they want a feeding tube, artificial hydration, or a breathing machine to keep them alive.

These tools are commonly confused with a DNR (do not resuscitate) order. DNR orders are not typically included within an estate plan but are instead executed within specific medical facilities like hospitals or assisted living facilities.

Advance directives are not legally recognized in all states, but where they are, they can provide helpful guidance to the person acting under a medical power of attorney.

Health Insurance Portability and Accountability Act Waiver

As either a separate document or included in a medical power of attorney, a Health Insurance Portability and Accountability Act (HIPAA) waiver grants named individuals access to the adult child's protected health information. You will likely need a HIPAA waiver even if your child is still covered under your health insurance.

Talk to Your Teen about Estate Planning

At some point, a parent and teenager should sit down and talk about the legal rights and responsibilities of adulthood. Stress to your teen that, without documents like financial and medical powers of attorney, state law will choose a decision-maker for them, most likely a parent, in the event they are unable to manage their own affairs. If they want a different person making decisions for them, they must name them in legal documents. Also, let them know that preparing legal documents in advance will help them avoid the lengthy and public process of having someone appointed as their decision-maker.

Ready to talk to your teen about estate planning? We are happy to join the conversation and offer professional guidance.