

PREPARING FOR YOUR CHILD'S FINANCIAL ADULTHOOD: KEY ESTATE PLANNING MOVES

While the age of majority varies by state, one thing is consistent: once your child reaches that age (which is typically 18), you no longer have the legal authority to make healthcare or financial decisions on their behalf. You may also lose access to their medical and financial records.

Although this shift toward independence is a natural and often welcome milestone, it can create challenges in emergency or unexpected situations. Taking a few proactive steps can help ensure a smooth transition of rights and responsibilities while maintaining a level of support and protection.

Even though most young adults may not yet have significant assets, basic estate planning documents can ensure they have a plan in place if they are unavailable or unable to make decisions for themselves.

What Documents Should They Have?

Advance Healthcare Directive

An advance healthcare directive allows your child to designate someone (often a parent) to make medical decisions on their behalf if they become incapacitated.

This document can address:

- **General medical care instructions**
- **Life-sustaining treatment decisions**
- **Organ donation preferences**

While difficult to consider, having these directives in place can reduce stress and ensure your child receives the best medical care.

Power of Attorney

A power of attorney allows your child (the principal) to authorize another person (the agent) to act on their behalf.

This can apply to:

- **Financial matters**
- **Legal decisions**
- **Medical situations (depending on the type of POA)**



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POAs are especially useful during:

- **Illness or incapacity**
- **Travel or temporary absence**
- **Military deployment**

They can be tailored in scope and duration and are generally revocable at any time.

HIPAA Authorization

A signed HIPAA authorization form allows you to access your child's medical records and communicate with healthcare providers.

Without this document, privacy laws may prevent providers from sharing important information, even in urgent situations.

Digital Asset Plan

A digital asset plan includes:

- **A list of online accounts**
- **Access instructions**
- **Directions for managing accounts if your child becomes incapacitated or passes away**

This ensures important digital information isn't lost or inaccessible when it's needed most.

Additional Considerations

In some instances, your child should also have a will and possibly a revocable trust.

Will (Last Will and Testament)

A will is a legal document that outlines how a person's money, property, and belongings should be distributed after death. It also allows them to:

- **Name an executor to carry out their wishes**
- **Appoint guardians for minor children (if applicable)**

If someone dies without a will (intestate), state law determines how assets are distributed, the court appoints an administrator, and guardianship decisions are made without their input. For this reason, every adult, regardless of amount of wealth, should have a will.

Revocable Trust

A revocable trust is a legal arrangement where you transfer ownership of your assets into a trust that you can modify or cancel at any time during your lifetime. Upon your death, the trust becomes irrevocable, and the trustee distributes assets according to your instructions without court involvement, avoiding probate and keeping your estate private.

Where Do We Begin?

Ideally, start the conversation before your child reaches the age of majority. While not always easy, this discussion is essential.

Consider the following approach:

- **Explain the legal changes that occur at adulthood**
- **Discuss the risks of not having these documents in place**
- **Emphasize that these tools are about support not control**

Set clear expectations by outlining when and how you would step in. Every family is different, and decisions should reflect your child's maturity and your relationship dynamics. Be open to your child choosing another trusted adult if they prefer.

Work with a Professional

Consulting an estate planning attorney in your state is an important next step. They can:

- **Ensure documents comply with state laws**
- **Tailor plans to meet your child's specific needs**
- **Properly draft and execute all documents**

Keep Plans Up to Date

Encourage your child to revisit these documents as their life evolves. Major life events such as marriage, having children, or acquiring assets may require updates to ensure their plans remain aligned with their circumstances. [Get in touch](#) for help navigating the process.

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