



The Perfect Gift for the New Adult in Your Family

What are you planning to give your teenager when he or she legally becomes an adult? A car? A deposit for an apartment? A trip to Europe?

Those are all fine gifts, depending on how much you can afford to spend. But here's one you may not have thought of. It won't cost you a bundle and it could save you considerable time and grief.

Take your son or daughter to your attorney's office and have some legal documents prepared: a simple trust or will, a durable power of attorney, a medical power of attorney and HIPAA authorizations.

Actually, it's a gift for both of you, because once your child reaches legal age, you will no longer be able to automatically make medical and legal decisions for him or her without the appropriate legal documents authorizing you to do so.

If your son becomes ill or injured and cannot handle his own financial affairs, you will not be able to step in for him and conduct business (sign checks, sell assets, etc.) unless he has a trust or a durable power of attorney and has named you as his successor or agent. If he hasn't, you'll have to go through the courts...and that will take time, cost money, and restrict you in ways you cannot imagine. (Some financial institutions also require their own forms; make sure you and your young adult check with each bank, etc.)

If your daughter cannot make her own medical decisions, it will be much easier for you to make them if she has a medical power of attorney that names you as her agent. And what if she should be so ill or injured that she is placed on life support before you get to the hospital? Unless she has made her wishes known through a legal document, you may not be able to have the equipment removed without court approval.

HIPAA authorizations are needed so that the doctors will have permission to discuss your young adult's medical situation with family members and other loved ones.

Finally, if your adult child should die without a will, the court will distribute his assets according to the laws of the state in which he lived...regardless of what you (or he) would have wanted.

Make sure your new adult understands that all of these documents will need to be changed as his (and your) life changes...as he accumulates more assets, and as he and those he cares about move, marry, have children, divorce, die, and so on.

Helping your child get started with this adult responsibility at the moment when he or she becomes an adult is just one more responsibility we have as parents. It fits right in there with how to balance a checkbook, how to handle a credit card, and how to buy insurance. Chances are, it will be a long time before any of these documents will be needed. But you'll be sending your child out of the nest with a full layer of protection...just in case.