

## **Important Legal Documents for College Students**

*Presented by Tim Shean, CFP®*

As summer turns to fall, flocks of recent high school graduates leave the nest and head off to college or university for the first time. Their parents are faced with a wide range of emotions as they watch their children prepare to spread their wings as independent young adults.

Until the students demonstrate sufficient maturity and decision-making skills, many parents continue to take an active role in their children's lives. But once a child reaches the age of 18, he or she has all the legal rights of an adult. This means that the individual is legally on his or her own should a health, financial, or legal matter arise.

Even if a parent is paying a son's or daughter's college tuition or claiming him or her as a dependent on tax returns, in most states a parent lacks the necessary legal authority to act on a child's behalf (or even to obtain information!) in the event of an emergency. That's why an increasing number of parents are choosing to have their children sign a health care proxy and a durable power of attorney (durable POA) before they head off to school or soon after.

### **Health care proxy**

When your son or daughter signs a health care proxy, he or she is allowing you to give consent for medical procedures, make health care decisions for him or her, and discuss treatment options if he or she becomes incapacitated. Without a health care proxy, HIPPA laws protect your child's right to privacy. Consequently, you may need a court order to access your son's or daughter's health information or otherwise act on his or her behalf.

It's also important to keep in mind that colleges and universities may have their own medical release documents. Be sure to check with the school and fill out any applicable paperwork in advance.

Although most parents don't want to think about such traumatic situations, it's always better to be safe than sorry. In an emergency, time is of the essence. Having these documents in place will avoid paperwork and red tape, so you can focus on making any critical decisions.

### **Durable POA**

A durable POA gives you the authority, if needed, to handle financial or legal matters on behalf of your child. This can be especially valuable if your son's or daughter's school is far away, or if he or she is studying abroad. Even if he or she is nearby, you may want the ability to sign tax returns, access bank accounts, pay bills, or sign a lease on your son's or daughter's behalf. The durable POA allows you to serve as your child's trusted agent.

The specific requirements of a health care proxy and durable POA vary by state, so consult with a qualified estate planning attorney to ensure that these documents are prepared correctly.

### **Your most valuable asset**

Most college-aged young adults are somewhere between childhood and full independence. There's a reason why they instinctively list their parents as their emergency contacts and turn to their parents for help and guidance when the going gets tough. But once a son or daughter turns 18,

without specific legal documents in place, parents may be powerless to help their child in the eyes of the law.

Have a conversation with your student to educate him or her on the importance of executing a health care proxy and durable POA. Try striking a balance between respecting your child's right to privacy and independence and being there to assist and protect him or her in times of need. After all, your son or daughter is your most valuable asset.

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