

Estate Planning Red Flag - You've Sent Your Child to College Without an Estate Plan

As you create a checklist of things your college-aged student will need for the upcoming school year, a critical, and often overlooked, item is an estate plan. Even though your child likely has few assets to his or her name, a basic estate plan is a necessity should the unthinkable happen.

Here are four estate planning documents your son or daughter should have before heading off to college:

- 1. Health care power of attorney.** Also known as a health care proxy or durable medical power of attorney, this document appoints another person — usually a parent — to make health care decisions on your child's behalf in the event he or she is unable to do so. Typically, the document also provides guidance on your child's preferences for using or withholding life-sustaining medical procedures. Children aged 18 or older are usually treated as adults, so without a health care power of attorney, you'll have no say in your child's medical treatment should he or she become incapacitated.
- 2. HIPAA release.** An important complement to a health care power of attorney, this document ensures that health care providers are authorized to share confidential information about your child's medical condition with you.
- 3. Financial power of attorney.** This document appoints another person — again, usually a parent — to make financial decisions, pay bills and conduct other financial transactions on your child's behalf. The document specifies the conditions under which the representative is authorized to act — if your child is out of the country, for example, or, in the case of a “durable financial power of attorney,” if your child becomes incapacitated.
- 4. Will.** Even if your child has only a small amount of money or other assets (including personal possessions with only sentimental value), it's a good idea to prepare a basic will to ensure he or she has a say over their disposition.

Contact your estate planning attorney for help in drafting these important documents.