



“The Last Steps To Education Planning Are The Most Important”

Written by Christopher P. Bruhl, CLU, CFP, ChFC, CASL on July 31, 2018 and adapted from an article originally published in Investment News on August 21, 2017, authored by Liz Sinner.

The savings plan, implemented 18 years ago, has worked. The college applications and financial aid forms have been completed. The letter of acceptance to the university has been received. Her Toyota Corolla is packed with Abercrombie & Fitch. Your Mastercard is in her wallet. She is fired-up and ready for the cross-country road trip to start Freshman Orientation. Now is the time to finish the planning.

Before sending your 18 year-old off to college, be sure you have executed 3 legal documents: a Durable Power of Attorney (POA); a Medical POA and a HIPPA Release.

Sitting down with your child to get these documents signed may not be the easiest of conversations but obtaining the proper forms in advance could go a long way toward de-stressing what could be a very stressful situation.

Once your child reaches age of majority, they become a legal stranger to the parent. Should your adult child become injured or sick and unable to communicate, hospital staff is not legally allowed to share information with parents. The school administration may not be allowed to share any information, either.

Signed copies of the 3 documents should be given to the adult child, your financial advisor and your attorney. The originals should be kept with other valuable papers in a safe. Digital versions (PDF file format is universal these days) should be stored for easy access from anywhere.

A signed HIPPA form (Health Insurance Portability and Accountability Act) gives medical professionals permission to share information about their patients.

A Medical POA, aka, “healthcare proxy” allows that person to make healthcare decisions if the patient is not able to for themselves.

A Durable POA allows the person to make financial decisions, have access to accounts and other information while the patient is incapacitated.

While getting these documents, a General POA is a good idea, too. This added document gives the parents authority to sign other papers and make broad decisions on the child's behalf.

Discussions on optimal funding strategies for education expenses are common to clients of Financial Dynamics, LLC. Before you send your child off to college, finish the planning process and secure the legal side of the planning equation.