



Welcome to "Adulting"



Rachelle Carmel, JD, CFP[®], CTFA



Do you have a recent high school Graduate? These “babies” are legally considered adults now if they are at least age 18. With their new status as adults comes some legal and financial considerations. It is recommended that you sit down with your child to discuss a few topics that may have an impact.

Documents and Coverage:

As a minor child, the parent had the responsibility to make healthcare decisions. Upon reaching the age of majority, the child is now the sole decision maker. Due to medical privacy protections, you will no longer have access to their medical records or be able to make any medical decisions for them. You can get permission from your child to be able to help in this area with a healthcare directive. A healthcare directive consists of two parts: a living will and a healthcare power of attorney. A living will specifies what types of medical treatments are desired. A healthcare power of attorney is a legal document that names an individual that you designate to make health care decisions if you are incapable of doing so.

Likewise, if something happens to your child, you will no longer have access to any financial information. You will not be able to talk to companies about paying a bill, make investment decisions, or figure out banking issues for your child. To cover this aspect of your child’s life, you will need to have a signed Durable Power of Attorney that delegates a person’s legal authority to another designated person with regards to their financial affairs should they not be able to act for themselves.

If your child has any assets of note, you will want them to prepare a will as well. If you do not have a will, the state will provide one for you. It is best to have a will prepared if your child would like to dictate where their assets will go in case of their passing.

The Last Document that your child should sign should be a Family Educational Rights and Privacy Act (FERPA) release form. FERPA prohibits disclosure of both academic and financial records to a third party without authorization. Your state may provide release forms for you, but the University your child attends may have their own form.

In terms of coverage, you will want to make sure that your child has insurance for their belongings, rental property, auto, and possible liability while they are away at school. Since it is a different address from your home address, insurance companies may not cover any losses at a school location. Contact your existing homeowners and auto insurance companies with updated addresses so that coverage can either be extended under the original policies or can be added on to so that the other location is covered.

529 Concerns:

Money in a 529 has grown tax-deferred and qualified distributions are tax-free. What is a qualified distribution? Tuition and fees are definitely qualified while other expenses are only covered as a college expense. Those items are books and supplies, computers, software, and internet expenses. Room and board might be able to be covered if used



expenses and the child is at least a half-time student. Some expenses that are not covered are health insurance, travel expenses, and college application and testing fees. Student loans can also be covered within a lifetime limit.

If your child ends up not going to college, but has a funded 529 account, you can change the beneficiary. With the Secure Act, a 529 can now also be rolled over into a ROTH IRA in the beneficiary's name. There is a cap on the total amount to be rolled over as well as annual contribution limits in this instance.

Come talk to us at Bison Wealth where we can help you plan, protect, and prosper!



DISCLOSURES

IMPORTANT INFORMATION

Investment Advisory services are provided through Bison Wealth, LLC located at 3550 Lenox Rd NE, Ste 2550 Atlanta, GA 30326 or Bison Advisors, LLC located at 140 Cateechee Trail, Hartwell, GA 30643. Securities offered through Metric Financial, LLC, located at 725 Ponce de Leon Ave. NE Atlanta, GA 30306, member [FINRA/SIPC](#). Bison Wealth, LLC and Metric Financial, LLC are not affiliate entities. More information about Bison Wealth or Bison Advisors and its fees can be found in their respective Form ADV Part 2, which is available upon request by calling 404-841-2224 or <https://adviserinfo.sec.gov/firm/summary/165931>. Bison Wealth and Bison Advisors are independent investment advisers registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training.

The statements contained herein are based upon the opinions of Bison Wealth, LLC (“Bison”) and the data available at the time of publication and are subject to change at any time without notice. This communication does not constitute investment advice and is for informational purposes only, is not intended to meet the objectives or suitability requirements of any specific individual or account, and does not provide a guarantee that the investment objective of any model will be met. An investor should assess his/her own investment needs based on his/her own financial circumstances and investment objectives. Neither the information nor any opinions expressed herein should be construed as a solicitation or a recommendation by Bison or its affiliates to buy or sell any securities or investments or hire any specific manager. Bison prepared this Update utilizing information from a variety of sources that it believes to be reliable. It is important to remember that there are risks inherent in any investment and that there is no assurance that any investment, asset class, style or index will provide positive performance over time. Diversification and strategic asset allocation do not guarantee a profit or protect against a loss in a declining markets. Past performance is not a guarantee of future results. All investments are subject to risk, including the loss of principal.

Index definitions: “U.S. Large Cap” represented by the S&P 500 Index. “U.S. Small Cap” represented by the S&P 600 Index. “International” represented by the MSCI Europe, Australasia, Far East (EAFE) Net Return Index. “Emerging” represented by the MSCI Emerging Markets Net Return Index. “U.S. Aggregate” represented by the Bloomberg U.S. Aggregate Bond Index. “Treasuries” represented by the Bloomberg U.S. Treasury Bond Index. “Short Term Bond” represented by the Bloomberg 1-5 year gov/credit Index. “U.S. High Yield” represented by the Bloomberg U.S. Corporate High Yield Index. “Real Estate” represented by the Dow Jones REIT Index. “Gold” represented by the LBMA Gold Price Index. “Bitcoin” represented by the Bitcoin Galaxy Index