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## ESTATE PLANNING FOR YOUNG ADULTS?

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Young adults, including those just turning 18 years old, have the ability to execute estate planning documents and should consider doing so. Such planning need not be complex, but the lack of planning can unnecessarily complicate their lives, and those of their loved ones, in the event of a serious illness, injury or death.

Young adults typically have little in the way of financial assets and thus generally need only a few estate planning documents relating to medical care and privacy.

The Health Insurance Portability and Accountability Act of 2006 (HIPAA) protects the personal healthcare information of all persons from disclosure to anyone without the patient's express consent. This consent can be obtained in writing prior to an illness or injury, or can be granted orally if the child is able to give consent at the time of the healthcare crisis. An Authorization to Release Medical Information is a document naming the individuals with whom the young adult's doctor can discuss his/her medical condition. In the case of a young unmarried adult, the document will normally name the parents as persons who can receive this information. An Authorization does not, however, permit the parents to make medical decisions on the child's behalf, but just to obtain information about his or her condition.

An Advance Healthcare Directive (AHCD) (i.e., a healthcare power of attorney) is used to name an agent to make healthcare decisions for the young adult in the event he or she is unable to make these decisions. Having an AHCD avoids the necessity of a court-appointed Conservator over the young adult's person if he or she becomes incapacitated.

For young adults, with jobs and bills to pay, we recommend also obtaining a General Power of Attorney to allow someone to pay the bills and handle the young adult's assets on his or her behalf while he/she is incapacitated (perhaps during recovery from a serious illness or injury).

Generally speaking, a Will is not required unless the young adult owns assets valued at over \$150,000, because California (and many other states) has a simplified and inexpensive probate process for such estates. Without a Will, the assets pass to the individual's legal heirs; for a young adult this is likely to be his/her parents, unless he/she is married and/or has children. Young adults who have more than \$150,000 or who wish to specify who receives their assets, should consider creating a Will or revocable trust.

If you have a young adult in your life, we encourage you to speak with him or her about obtaining these important estate planning documents.

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