2023 · WHAT ISSUES DO I NEED TO CONSIDER AS MY CHILD BECOMES INDEPENDENT?



GENERAL ISSUES	YES	NO	GENERAL ISSUES (CONTINUED)	YES	NC
In case of an emergency, do you wish to have access to your child's important records (e.g., health, academic, financial, etc.) after they turn 18? If so, consider having your child sign a Health Insurance Portability and Accountability Act (HIPAA) and Family Educational Rights and Privacy Act (FERPA) waiver form. Be mindful that your child's health records may also be protected under FERPA if they visit their college health clinic. A durable medical and financial power of attorney for your child may also be considered.			Do you need to revisit your financial goals in light of your children leaving the house? If so, consider the extent to which your goals may have changed (e.g., retirement, travel, supporting family, etc.). Determine whether you are still on track for your goals and if any adjustments to your plan are needed. TAX ISSUES	YES	
Is your child attending a college (or moving) out of state? If so, consider reviewing any in-state vs. out-of-state residence requirements, and determine whether you have the appropriate documentation (e.g., driver's license, insurance policies, important forms, etc.) in place for both your state and your child's state of			Are you planning to help your children with a large upcoming expense (e.g., wedding, vehicle, down payment on a house, etc.)? If so, consider the extent to which doing so will affect your own finances and goals. Remember to report any gifts in excess of		
residence. Is your child still able to be on your health insurance (i.e., they are under 26)? If so, consider whether it is appropriate for your child to stay on your health insurance plan, both from a cost and coverage standpoint. Be mindful of how your own plan costs might change (if at all), and determine whether you want your child to contribute toward their share of the premium.			 the annual gift tax exclusion (\$17,000). Do you anticipate your children will request additional monetary support from you, even after they are independent? If so, consider whether making a family loan to your children (as opposed to a gift) could be appropriate for your situation. Family loans can be flexible and mutually beneficial, but be mindful to keep the interest rate in line with the appropriate Applicable Federal Rates (AFR) to avoid any taxable imputed interest penalties 		
 Is your health insurance HSA-eligible, and does your child plan to stay on it? If so, determine whether your child can still be claimed as a dependent. If they cannot, they may be able to open and fund their own HSA up to the family contribution limit (\$7,750 for 2023), but entirely separate from your own family contribution limit. Do you need to review your budget and expenses once your 			 (unless total loans are under \$10,000). Do you (and/or your spouse) own a business? If so, consider whether hiring your children could be beneficial to your situation. The first \$13,850 (maximum standard deduction for dependents in 2023) your child earns is federally tax-free and potentially payroll tax-free (if under 18). You may be able to save on taxes by "shifting income" to your child. And with "earned income," your child may 		
 children leave the house? If so, consider the extent to which your budget and expenses might change (increase or decrease) depending on the level of continued support you may (or may not) wish to give your children. Are you thinking of moving or downsizing your home after your children leave the house? If so, consider the extent to which downsizing and/or moving could be beneficial to your situation (e.g., elimination or reduction of mortgage, decreased living expenses, better location, etc.). (continue on next column) 			 also be able to kick start their Roth IRA savings early. Does your child have any taxable investment accounts (e.g., brokerage, UTMA, UGMA, etc.) or interest-bearing accounts? If so, consider the extent to which you may be subject to kiddie tax. Be mindful of portfolio income outside of your control (e.g., dividend payments, capital gains distributions, turnover, interest, etc.), and determine whether you should reposition assets (or withhold from selling assets) to help mitigate kiddie taxes. (continue on next page) 		

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AX ISSUES (CONTINUED)	YES	NO	RISK MANAGEMENT ISSUES (CONTINUED)
you need to review whether you should claim your child as ependent on your tax return? If so, consider the following: e mindful of the phaseout ranges and non-refundable nature of ducation tax credits (American Opportunity Tax Credit and ifetime Learning Credit) with regard to your income level. If your			Does your child have any serious health issues or disabilities? If so, consider proactive steps you can take to protect your child before they leave the house (e.g., establishing a support system before they go away to college, having the appropriate paperwork in place, etc.).
income is too low, it may be appropriate to recognize additional income in order to capture the non-refundable portion of the credit. If your income is too high, it may be appropriate to not claim your child as a dependent and have them claim the credit instead (if applicable). If your child is 24 or older, and you are still providing at least 50%			Is your child driving and still considered your dependent? If so, consider whether it would be appropriate to have a separate auto insurance policy for your child as an additional layer of liability protection. Be mindful of any limitations and potential gaps in coverage.
of their support (i.e., they are attending graduate school, etc.), you may be able to claim the "other dependents" tax credit. If your child is attending graduate school, claiming them may entitle you to the Lifetime Learning Tax Credit.			Are you concerned about your child's actions or behaviors causing future liability issues for you? If so, consider prioritizing savings (or shifting assets) into accounts that are protected from liability issues (e.g., 401(k), IRA, insurance products, home equity, etc.).
o you need to review how your taxes might change once your hild becomes independent? If so, consider whether the loss of my credits or deductions (e.g., child tax credit, other dependents ax credit, education credits, etc.) might increase your overall tax ability moving forward, and remember to increase your tax ithholdings or estimated payments (if appropriate).			 Will your life insurance needs change once your children become independent? If so, consider reviewing your policies, and determine whether any changes would benefit your situation (e.g., decrease in death benefit, 1035 exchange, surrender, etc.).
			OTHER ISSUES
SK MANAGEMENT ISSUES	YES	NO	> Are you concerned about having extra "unused" funds in a 529
			plan? If so, consider changing the beneficiary to another child (if
/ill your child move to (or do they already attend) a college way from home? If so, consider purchasing renters or dorm surance to ensure your child is appropriately covered while away			applicable) or utilizing the 529-to-Roth transfer feature (starting in 2024, subject to limitations).
/ill your child move to (or do they already attend) a college way from home? If so, consider purchasing renters or dorm			 applicable) or utilizing the 529-to-Roth transfer feature (starting in 2024, subject to limitations). Are your children old enough (and qualified) to start taking a more important role within your estate documents (e.g.,
/ill your child move to (or do they already attend) a college way from home? If so, consider purchasing renters or dorm isurance to ensure your child is appropriately covered while away om home. Be mindful of the extent to which your child is already			 applicable) or utilizing the 529-to-Roth transfer feature (starting in 2024, subject to limitations). Are your children old enough (and qualified) to start taking a