



Preparing Your Child for College in the Time of COVID-19

With students heading back to college, it is a good time to provide parents with some practical advice on planning considerations in this new world of COVID-19.

- 1. Consider having your son or daughter execute a health care proxy & HIPAA Release Form.** Parents who foot the bill for their child's college costs often assume that if their child were to become seriously ill at school, they would be consulted about medical treatment. Once a child reaches the age of 18, however, the child is considered an adult. Not only might the parent have limited say over the child's treatment, the Health Insurance Portability and Accountability Act (HIPAA) may limit the school's and health care professionals' ability to release medical data to the parents. With COVID-19 continuing to be an acute issue on college campuses, parents should ask their children to execute a health care proxy and a HIPAA release form. The health care proxy empowers an agent, typically a parent, to make medical decisions on behalf of the child if the child is unable to make them for herself. The HIPAA release form allows the school and medical staff to release medical information to the agent to guide health care decisions. A health care proxy is governed by state law, but a proxy signed in one state is typically respected in all states. Flexibility in signing and executing legal documents during COVID will vary by state, however. For example, in Massachusetts, a health care proxy must be signed in the presence of two witnesses, neither of whom is named in the proxy. In some states, the signing can be done over Zoom. The HIPAA release form is governed by federal law. It must be signed by the child, but witnesses are not required.
- 2. Create a Durable Power of Attorney (and maybe a will).** While you are asking your child to sign the health care proxy and a HIPAA release form, you should consider asking her to execute a durable power of attorney. The power of attorney names an individual to act on the child's behalf with respect to the child's financial matters. The document can grant broad or limited powers to the power holder. For example, the power may commence immediately upon execution or only after the child has been deemed incapacitated. If the child owns any interests in real estate, the document should also be notarized.

While discussing these other documents with your child, you may also want to raise the question of executing a will, particularly if the child has meaningful assets.

- 3. Review any pledge form the college asks your child to sign and have a backup plan if students are forced to leave campus.** Many colleges are asking students living on campus to sign pledge forms promising to follow the school's rules around social distancing, wearing masks, attending large gatherings, COVID testing, and other practices designed to limit the spread of COVID-19. The pledge forms may be subject to amendment at the school's discretion. Individual students can be moved off campus if they violate the rules, or students can be moved off campus en masse if COVID spreads (as we have seen at Notre Dame, UNC and other colleges). Parents and students should understand the financial ramifications if this were to happen to their child. In particular, will the school grant a refund for room and board?

Parents and students should also have a plan in place for alternative housing in the event of a campus shutdown. Where will the student complete her distance learning? For students living off campus, can they break their lease or sublet their apartment to someone else if the university cancels classes? Thinking through these questions before any potential changes at school take place will help you and your child prepare for any necessary transition as the Fall semester gets underway.

4. **If the student or parents suffer a financial hardship because of COVID-19, talk to the school's financial aid office and consider amending the financial aid application.** To help students, the CARES Act made \$12.5 billion available in emergency aid and grants, half of which was required to be paid out to students dealing with COVID-related disruptions. While much of this funding has already been disbursed, colleges and various charitable organizations with whom they are associated may have funds available to help students in the event of financial emergencies. Some of these organizations have paid the cost of airline flights home for students with financial need, as well as the cost of Internet access for remote learning. If the student's family has suffered a financial hardship, the student should consider appealing the financial aid award from the college and updating the Free Application for Federal Student Aid (FAFSA).
5. **Consider setting up a Roth IRA for your child.** Was your child able to find paid work this year? Will she be working during the upcoming school year? Will your child's adjusted gross income in 2020 be less than \$124,000? As a parent, you can setup a Roth IRA for your child and make contributions equal to the lesser of the child's earned income and \$6,000. Neither you nor your child can claim an income tax deduction for the contribution, however, in general, the earnings on the Roth IRA, as well as future distributions, will be tax-free so long as the funds aren't withdrawn until the child reaches age 59 ½. This is a great way to engage your child in the topic of personal finance, the importance of compound returns, and the value of saving and investing for their future retirement goals.
6. **Urge your student to continue networking and being involved in the community.** College will, unfortunately, be very different this year with in-person gatherings limited. While this will present networking challenges, not all relationships, friendships and business opportunities start face-to-face anymore. To make the most of their college experience, students should take advantage of Zoom club meetings, or Zoom networking events. The people they meet during these Zooms could become very close friends and help them land an internship in the future. Furthermore, encourage your student to continue to donate her time. Many universities require volunteer hours for a student to graduate. Encourage your children to consider their personal interests and passions and donate hours to those causes. There are likely online clubs and activities available through the university that will facilitate outside fulfillments.

Above all, we wish families health and safety in this extraordinary period, and stand ready to help as you contemplate the financial and planning considerations of all aspects of education decisions now and in the future.

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Ropes Wealth Advisors LLC
800 Boylston Street Boston, MA 02199-3600