

Legal and Financial Differences Between Adoption, Kinship Legal Guardianship (KLG) and Independent Living

	Adoption	Kinship Legal Guardianship (KLG)	Independent Living
Legal authority over child	The adoptive parent's legal authority over the child is the same as if the parent had given birth to child. Adoption judgment is final.	The kinship legal guardian (KLG) has almost the same decision-making authority over the child as a parent until child turns 18 or judgment is changed. One difference is the parent can seek return of custody at a later date. If the KLG wants to adopt after DYFS cases closes, s/he must file a private adoption complaint.	Independent living may become the goal for a 16-year-old youth when other permanency options have been ruled inappropriate. Legal authority continues to be shared between DYFS, the parent and resource parent if one is involved.
DYFS involvement once permanency goal achieved. Information regarding subsidy and other financial supports is below and on other side	DYFS closes case, except for payment of subsidy if the child meets the criteria to qualify for a subsidy.	DYFS closes case, except for payment of a subsidy.	DYFS case remains open until the youth turns 21, unless the youth, at age 18 or older, agrees that it should close sooner, or the youth is not cooperating with services and DYFS has attempted to work with the youth and given proper notice of case closure.
Contact between child and birth parents	As the legal parent, an adoptive parent can choose to maintain contact between the child and the birth parent, but birth parent has no enforceable right to contact with the child. The birth parent may register with the Adoption Registry and can contribute to the child's Life Book.	Parent retains right of visitation through court order, although court may limit or restrict visitation if contact with the birth parent is harmful to the child. Parties work out logistics. DYFS no longer assists with arranging visits.	Visitation between parent and youth continues per court order until cases closes. DYFS is responsible for implementation of visitation orders.
Authority to change child's name	The adoptive parent can change the child's name.	The KLG cannot change the child's name or consent to an adoption by a third party.	The child's name cannot be changed without parental consent. At age 18, youth can petition court for name change.
Transfer of legal authority	As legal parent, the adoptive parent can transfer custody or legal authority of the child to another person. The adoptive parent can make arrangements for the care and custody of the child in the event of incapacitation or death.	The Kinship legal guardian's legal authority over the child cannot be transferred. So if a KLG is married or living with a partner, it is recommended that both become kinship legal guardians.	DYFS relinquishes legal authority over child when case is closed.
Subsidy payments	Subsidy is paid if the child is determined to be a "special needs" child, and generally at the board rate at the time the adoption is finalized. For children with extreme needs, the subsidy can exceed the board rate and can be renegotiated if the child's needs change. Subsidy can be reduced by amount of child's SSI payment and stops at age 18 or when child graduates high school, whichever occurs later.	The subsidy amount is established when the final KLG judgment is granted and cannot be renegotiated. The subsidy can be reduced by amount of child's SSI payment, and stops at age 18 or when child graduates high school, whichever occurs later.	Current board rate can continue to be paid to resource parent until youth leaves foster care; special approval may be required. If the youth is in school or working and not making much money, youth is eligible for transitional living program or independent living funds. The rate is \$40 per week for food and \$45 per week for rent. A higher amount for rent requires approval of the local office manager.

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Transfer of subsidy payments	Subsidy follows the child. Adoptive parent can make alternative living arrangements for the child.	If the KLG stops caring for the child, the KLG subsidy payments stop.	Not Applicable.
Medicaid	All IV-E eligible children receive medical coverage from state of residence; non IV-E children are covered through the Interstate Compact (all but 2 states belong). Medicaid ends when adoption subsidy ends.	Only NJ Medicaid is guaranteed. If child and KLG move out of NJ, child needs to qualify for Medicaid in new state. Medicaid ends when KLG subsidy ends.	Medicaid continues. If youth closes DYFS case, youth can obtain health insurance until age 21 through the Medicaid Extension for Young Adults, 1-888-235-4766, so long as youth was in a DYFS-paid placement on 18 th birthday.
Other support services, including financial assistance	Pre-school child care is available. Post-adoption counseling available through DYFS providers. NJARCH provides assistance, 1-877-4ARCHNJ or through website at www.njarch.org . Adopted teen is eligible for Chafee wraparound services if in foster care at age 16 before adoption.	No post-adoption counseling services available. KLG may seek whatever services available to families within the community. A relative KLG can seek assistance through the state Kinship Navigator Program (1-877-816-3211) once the DYFS case is closed and if the relative meets program eligibility requirements. Teen is eligible for <i>Chafee wraparound services</i> if in foster care at age 16 before KLG was finalized.	Youth continues to receive services through DYFS if case remains open or through Aftercare Programs if DYFS case is closed. Either way, youth between 18 and 21 are eligible for Chafee wraparound services. This program can help with rent, security deposit, job placement fees, school application fees, driving lessons, tutoring and mentoring.
Tax credit	A \$10,000 tax credit is available to most adoptive parents receiving a "special needs" subsidy in the year the child is adopted, regardless of expenses. Unused portion of tax credit can be carried over for up to 5 years.	No tax credit available due to kinship legal guardianship judgment.	Not applicable.
Social Security through caregiver	Adoptive parent can receive Social Security for minor child and the adoption subsidy if minor child resided with caregiver for at least 1 year prior to caregiver receiving Social Security for self.	Social Security not available through KLG caregiver.	Social Security not applicable through caretaker.
College or post-secondary education assistance. The Free Application for Federal Student Aid (FAFSA) must be completed for most aid	Teens adopted from foster care may be eligible for NJFC Scholars Program if they were adopted after age 16. Current state policy expands eligibility to teens adopted after age 12 who are still receiving an adoption subsidy at the time of the application.	A teen in KLG home as a permanency plan from foster care may be eligible for NJFC Scholars Program if the teen was in foster care for an extended period of time prior to the final KLG judgment. Decisions are made on case-by-case basis. The KLG family's income should not be taken into consideration when processing the FAFSA.	COLLEGE. To be eligible for assistance from NJ Foster Scholars Program to pay for post-high school education, the teen must have been: <ul style="list-style-type: none"> • In foster care for 9 months or more after his/her 16th birthday, or • In foster care for a total of 18 months after his/her 14th birthday; or • In an independent living program for 3 months or more Contact NJ Foster Care Scholars Program for more information. www.fafsonline.org or 1-800-222-0047.
Inheritance	Child can inherit from adoptive parent, with or without a will.	Child can inherit from birth parents; can only inherit from KLG through the guardian's will.	Child can inherit from birth parents.