LESSON · TRAVEL & ENTERTAINMENT

Grandkids Trips and Family Travel

Trips with the grandkids are often the travel retirees value most. Here's how to budget for them, what the gift rules say when you pay, and the paperwork to sort out before you go.

Read time: 6 minutes **Level:** Foundational **Includes:** Knowledge check

For many grandparents, the trips that matter most aren't the far-flung ones. They're the beach week with the whole family, or the first big trip with a grandchild. These trips are worth planning on purpose, so you can say yes without second-guessing your own security.

Decide what you're offering

Before you budget, decide what "family travel" means for you. A clear, consistent approach also avoids hurt feelings between families:

- **Who pays for what:** the whole trip, the lodging only, or your own costs while the family covers theirs?
- **How often:** a yearly family trip, or a special trip for each grandchild at a milestone age?
- **Fairness:** if you treat one grandchild, plan to do the same for the others.

Budget it like the rest of your travel

Family trips fit the same two buckets as all retirement travel:

Two ways family travel shows up in a plan

	RECURRING	ONE-TIME
Example	A yearly family beach week	A “turning 12” trip for each grandchild
Where it goes	Your monthly budget	A one-time expense in the year it happens

A worked example: grandparents with three grandchildren plan a trip for each at age 12, at about $5,000 per trip in today’s dollars. If the grandchildren turn 12 in 2028, 2030 and 2033, that’s three one-time expenses spread across six years, rather than a $15,000 hit in a single year.

When you pay: the gift tax rules

Paying for a grandchild’s trip counts as a gift to that grandchild. For most families, that’s no problem:

- In 2026, each person can give up to **$19,000 per recipient** without filing a gift tax return. A married couple can give $38,000 to each grandchild.
- Gifts above that require a gift tax return, but no tax is due unless your lifetime gifts exceed the federal exemption, $15 million per person in 2026.
- In the example above, a $5,000 trip is well inside the annual limit.

Don’t raid the 529 for vacations

Money in a 529 college savings plan is meant for qualified education expenses. Using it for a trip makes that withdrawal non-qualified, so the earnings are taxed and generally face an extra 10% tax.

The paperwork for traveling with grandkids

- **Passports:** for a child under 16, both parents or guardians must be present or give notarized consent (Form DS-3053). A grandparent can’t apply alone.

- **Consent letters:** the U.S. doesn't require one, but some countries require a notarized letter from the parents when a child travels without them. Check your destination's rules and carry a copy of the child's birth certificate.
- **Medical consent:** ask the parents for a signed note allowing you to authorize treatment, plus the child's insurance card.
- **Travel insurance:** if you're paying for a big trip, consider coverage for cancellation and, abroad, medical care. See Does Medicare Cover You Overseas? for your own coverage.

Without the guilt

The guilt usually comes from not knowing whether you can afford it. Once family travel is in the plan, with taxes and inflation included, you'll know: either it fits and you can enjoy it, or you can see the trade-off and decide what matters most.

How Blueprint approaches this

- A yearly family trip goes in the **Lifestyle** line of your Budget, in today's dollars. Blueprint adjusts it for inflation and builds the taxes into your monthly retirement paycheck.
- Smaller gifts to family, like birthday money, fit the **Personal** line, which covers gifts and discretionary purchases.
- Milestone trips can be added as **Future Large Purchases** (Plus) in the years they happen, paid from your Growth Engine, with any shortfall flagged as a **Funding Gap**.

Planning trips with the grandkids:

- [ ] Decide what you'll pay for, and keep it fair across families
- [ ] Put a yearly family trip in your monthly budget
- [ ] Put milestone trips on the calendar as one-time expenses
- [ ] Check passports and consent rules for every child traveling
- [ ] Carry medical consent and insurance information
- [ ] Test the plan with taxes and inflation included

KNOWLEDGE CHECK

Test what you just learned

Answer four quick questions to test what you just learned.

1. In 2026, how much can one grandparent give a grandchild without filing a gift tax return?

- A. $5,000
- B. $19,000
- C. $100,000

2. Can a grandparent apply alone for a passport for a 10-year-old grandchild?

- A. Yes
- B. No, both parents or guardians must be present or give notarized consent
- C. Only with a birth certificate

3. What happens if you use 529 money to pay for a family vacation?

- A. Nothing; it's allowed
- B. The earnings are taxed and generally face an extra 10% tax
- C. Only the principal is taxed

4. Where does a yearly family beach week belong in your plan?

- A. Your recurring monthly budget
- B. A one-time expense
- C. Nowhere; it doesn't need planning

Part of **Travel & Entertainment** in retirement: **See the full Travel & Entertainment guide →**

Sources: Morgan Lewis, IRS announces increased gift and estate tax exemption amounts for 2026 (October 2025); U.S. Department of State, Apply for a Child's Passport Under 16 and Travel with Minors; IRS, Qualified Tuition Program (IRC Section 529).

Blueprint Tomorrow provides educational planning tools, not individualized investment, tax, insurance or legal advice. Nothing in this lesson is a recommendation to take any specific action with your accounts. Gift tax limits are adjusted for inflation; confirm the current year’s figures.