

10 STEPS TO SPECIAL NEEDS PLANNING

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- **Write a “Letter of Intent.”**
 - A letter of intent is a brief biography of your special needs child.
 - It conveys basic information and instructions for future caregivers or guardians.
- **Review beneficiary designations on IRAs , life insurance, 401Ks.**
 - It is very important not to name your child as a direct beneficiary or contingent beneficiary. Doing so could jeopardize your child’s eligibility for public benefits.
- **Speak with family members and close friends to determine list of successor guardians and trustees.**
 - Well meaning but uninformed relatives could inadvertently jeopardize your child’s eligibility for public benefits.
 - Determine which relatives may be named as future guardians or advocates for the person and trustees for the assets.
- **Consider establishing Guardianship if your special needs child is 18 or older.**
 - If your adult child cannot make legal, financial or medical decisions, Guardianship should be considered.
 - **Apply for public benefits** such as Supplemental Security Income, Medicaid, Medicaid Waiver, and food stamps.
- **Update your will**
 - Make sure you have not named your special needs child directly. Doing so can cause a loss of public benefits. Name the Special Needs Trust instead.
- **Create a 3rd Irrevocable Third Party Special Needs Trust**
 - The 3rd Party Irrevocable Special Needs Trust can be used for almost anything which provides comfort and quality of life for your child, but may NOT pay for services provided by other public benefit programs. It is funded by money from anyone EXCEPT the special needs person.
 - A “1st Party Irrevocable Special Needs Trust” is funded by the beneficiary’s own money, such as from a malpractice award, or the person’s own assets.
- **Establish an investment account for your Special Needs Trust**
 - A Special Needs Trust can own a variety of assets such as stocks, bonds, mutual funds or life insurance on the parent(s) or real estate
- **Consider a strategy to fund your Special Needs Trust**
 - While the Special Needs Trust can be used for almost any current expenses of your child (except those provided for by governmental

benefits), consider the Special Needs Trust as your child's "retirement account" and begin to save for the future.

- Consider an individual or "2nd-to-die" (for a 2-parent family) permanent life insurance policy to fund the trust at your passing.
- **Consult a tax professional** who is familiar with **tax issues** and deductible special needs expenses.