



Financial Planning for Special Needs

Securing a Stable Future for Your Loved Ones

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Securities and advisory services offered through LPL Financial a registered investment advisor. Member FINRA/SIPC.
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Topics



- Importance of special needs planning
- Challenges/complexities
- Building your team
- Government benefits
- Estate planning overview
- Financial planning overview
- ABLE accounts/Trusts

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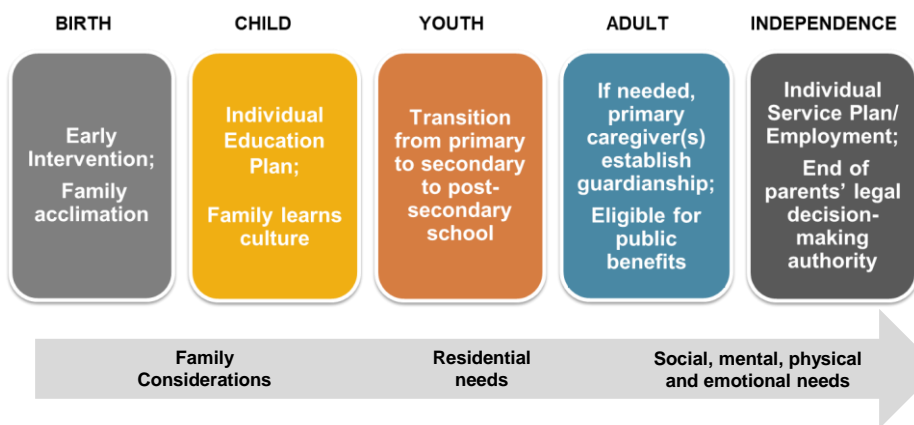
Importance of Financial Planning



- Ability of our loved ones to support themselves
- Extended lifetimes, even for those with disabilities.
- Special needs require long term financial strategies.

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A Lifetime of Planning



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Financial Challenges



- Higher ongoing expenses (medical, therapies, etc.)
- Ongoing care and living expenses
- Potential lifetime support - maintaining lifestyle and level of care
- Balancing multiple goals
 - Short term vs Long term
 - Lifestyle of child with special needs vs needs of other family members

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Complexities



- Complex issues and government programs
 - Public and private programs
 - Federal vs state benefits and requirements
 - Variations of benefits programs in different states
- No Guarantees
 - Public programs/benefits may not exist
 - Funding for public programs may change in the future
 - Public benefits may not provide adequate resources

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Building Your Special Needs Team



- Family and Friends
- Medical providers
- Programs providers / support coordination agency
- Attorneys
- Financial Professionals

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Common Pitfalls



- **No estate planning at all**
- Assets in child's name (custodial accounts, savings bonds, 529s, etc.)
- Unstructured beneficiary designations
 - Per Stirpes!
- Inheritances from well meaning relatives

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Government Benefits



	Needs-Based Benefit	Entitlement Benefit
Monetary Assistance	Supplemental Income	Social Security
Medical Assistance	Medicaid	Medicare

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Government Benefits - SSI



- Means tested
- SSI Income limit - \$1,971/month (2024)
- SSI reduced after first \$65/month of earned income (\$1 per \$2 earned)
- SSI asset limit \$2,000 (2024)

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Government Benefits – Medicaid (NJ)



- Medicaid (NJ Care) income limit (Single) - \$1,255/month
- Medicaid (NJ Care) asset limit \$4,000 (2024)
- NJ Workability has no income or assets limits (monthly premium may apply over \$76,332/year income)

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- ~~Other benefits – SNAP, Section 8 Housing,~~

Estate Planning Considerations



- Important legal documents
 - Will
 - Power of Attorney
 - Trusts
 - First Party
 - Third Party
 - Pooled
 - Guardianship
 - Letter of Intent

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Financial Planning Process



- Analyze your current financial situation
 - Income, expenses, assets, debts
- Determine goals and objectives
- Set short, intermediate and long-term goals
- Prioritize your spending/saving
- Review and update plan

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Financial Planning – Risk Management



- Determine and mitigate risk to financial plan.
 - Health Insurance
 - Disability Insurance
 - Life Insurance
 - Long Term Care Insurance
 - Home/Auto/Liability Insurance

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Achieving a Better Life Experience (ABLE)



- Eligibility - Disabled before age 26 (age 46 after 1/1/26)
- Advantages
 - Tax deferred growth
 - Account that does not affect benefit eligibility (< \$100K)
 - Expanded qualified disability expenses
- Disadvantages
 - Limited contributions (\$19,000/year*)
 - Medicaid clawback

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Special Needs Trusts



- A contract...
 - To control property
 - For the benefit of a beneficiary
 - To meet some objective
- Protects access to government benefits
- Provides an improved quality of life
- Protects the person's financial future

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Special Needs Trusts - Visual Aid



- Trust = Car
- Trustee = Driver
- Funding = Fuel

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Special Needs Trusts - Funding



- Cash
- Investments
- Life Insurance
- Retirement Plans
- Real Estate

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Investment Strategies



- Tailoring investment strategy to each goal
 - Short term vs long term
 - Importance of goal
 - Balance growth and safety
- Understand your true “risk” tolerance
- Diversify!!!
 - True driver of returns is asset allocation, not security selection

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Review (at least annually)



- Have there been health or benefit eligibility changes?
- Has your family’s financial situation changed?
- Are the members of your financial team current and relevant?
- Are appropriate assets owned by a Special Needs Trust, or do they identify the trust as the beneficiary?
- Do you need to change your financial strategy in order to reach your family’s goals?

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Questions?



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