

This is family

Financial strategies for Special Needs

Exceptional plans for extraordinary people

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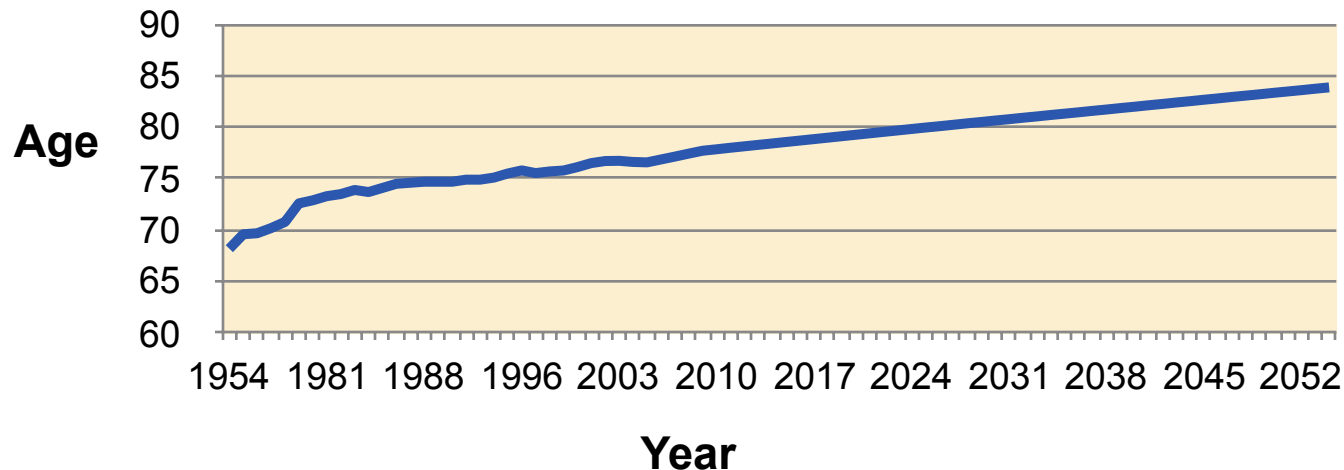
You can make your difference last a lifetime.

- Your family has unique challenges and joys.
- Special needs extend beyond the everyday – to long term financial strategies.
- We can help you create a personalized strategy.

Special needs strategies: Now and beyond

- Living longer
- Providing for a lifetime of care

**Average U.S. Life Expectancy:
1950 - 2050**



Source: U.S. Census Bureau, International Database;
Centers for Disease Control and Prevention, August 2008

Special needs strategies: Now and beyond

- **Complex issues and governmental programs**
 - Public and private programs
 - Variation in state laws
 - Multiple professionals needed
 - Family members and close friends should participate
- **No guarantees**
 - Public agencies may not exist
 - Public benefits may not provide adequate resources

Concerns to consider

- Recognition of family member's unique abilities
- Life after you're gone
- Future care
- Maintenance of lifestyle and level of care

A special tomorrow begins today

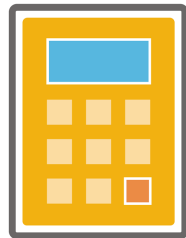
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STEP ONE:
Choose
your team



2

STEP TWO:
Calculate your
financial needs



3

STEP THREE:
Create your
strategy



4

STEP FOUR:
Write your
vision down



5

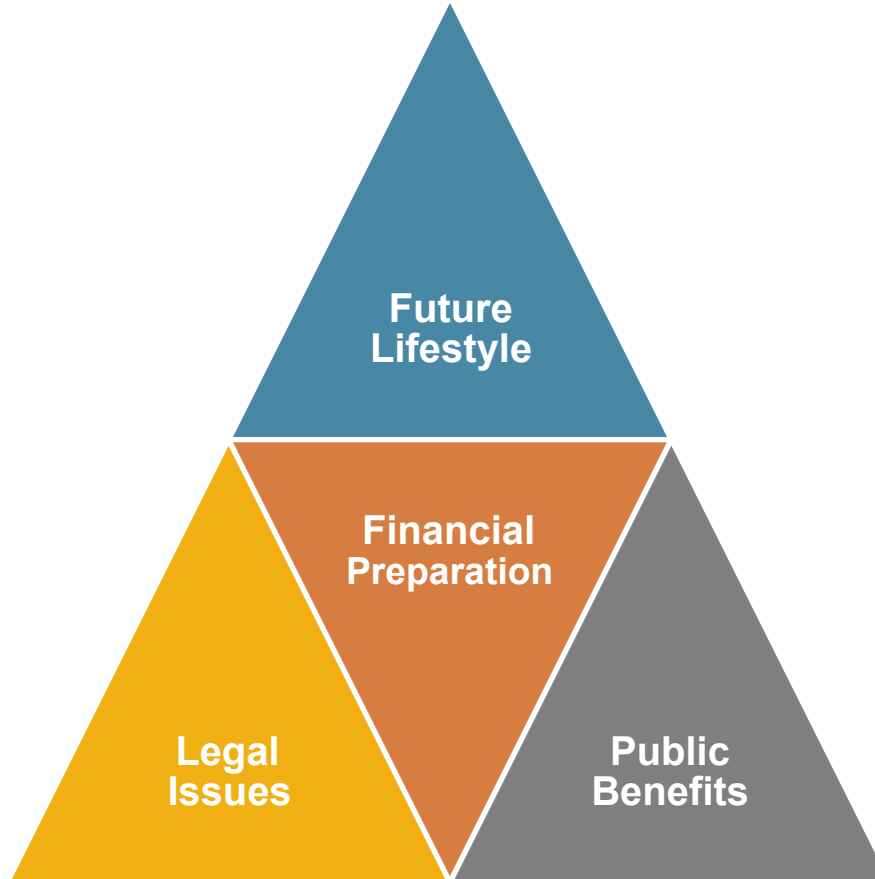
STEP FIVE:
Review
regularly



Step 1 - Choose your team



Prepare *now*, not later



Your special needs team



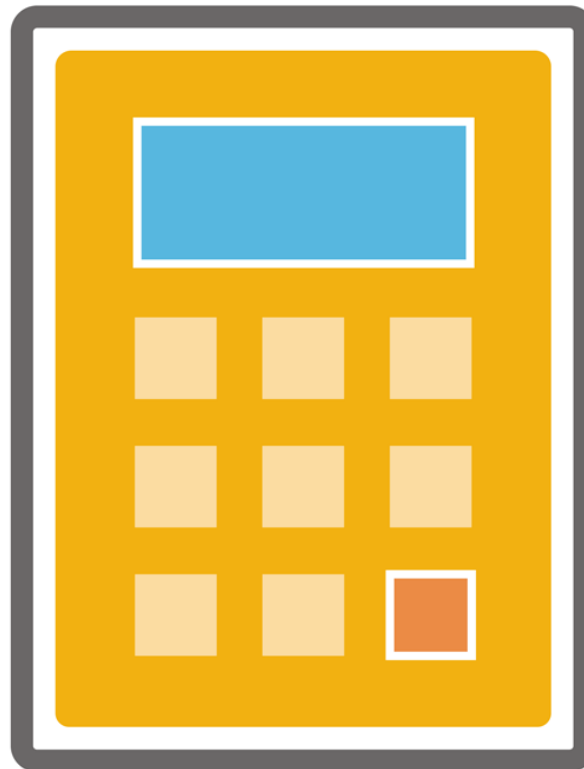
Prevent common pitfalls

- Gift to Minor Accounts
- Unstructured beneficiary designations
- Directing loved one's inheritance to a relative

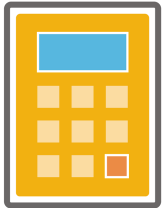
No estate planning at all

- **No will or trust?**
 - Often all or a portion of estate left to children
 - Child may fail to meet government benefits eligibility
 - Parent has no control over child's future lifestyle
- **Child could become a “ward of the court”**
 - Court decides who cares for child
 - Financial transactions could be delayed
 - Assets could be drained

Step 2 – Calculate your financial needs



Special needs strategic objectives



Primary Objective:

Define the lifestyle sought for the child

Financial strategies take **entire** family into account

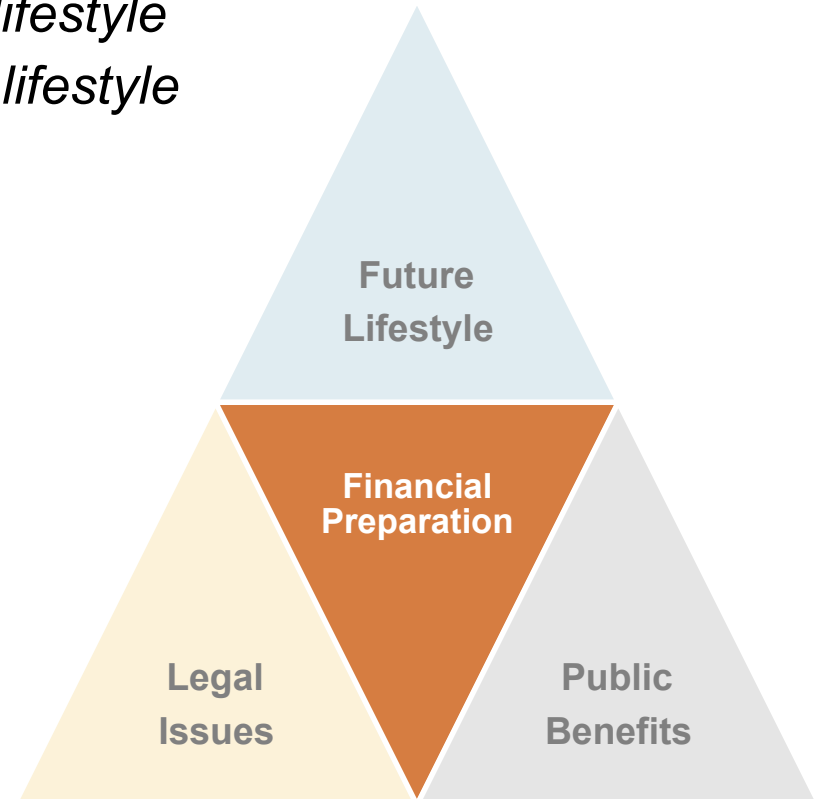
Secondary Objective:

Ensure availability of resources



Necessary preparation

1. **Lifestyle and retirement strategy**
 - a) *Your loved one's care and lifestyle*
 - b) *Your retirement needs and lifestyle*
2. **Risk management**
3. **Education funding**
4. **Charitable giving**
5. **Business strategies**
6. **Estate transfer planning**



Consider the cost of your loved one's lifestyle

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

Consider the cost of care

- Understand what's involved.
- Document everything you do.
- Use your list to determine the cost of care.

Set goals

- Analyze your current financial situation
- List expenses
- Set short, intermediate and long-term goals
- Determine your desired future financial situation
- Prioritize your spending/saving
- Contact us for assistance

Step 3 – Create your strategy



Create a strategy to last a lifetime

BIRTH

Early
Intervention;
Family
acclimation

CHILD

Individual
Education
Plan;
Family learns
culture

YOUTH

Transition
from primary
to secondary
to post-
secondary
school

ADULT

If needed,
primary
caregiver(s)
establish
guardianship;
Eligible for
public
benefits

INDEPENDENCE

Individual
Service Plan/
Employment;
End of
parents' legal
decision-
making
authority

Family
Considerations

Residential
needs

Social, mental, physical
and emotional needs

Important legal documents

- **Revocable living trusts and wills**
 - Distribute property
 - Allow you to directly influence care
- **Power of attorney or guardianship documents**
 - Upon adulthood, parents' legal authority ends
 - Healthcare
 - Finances
- **Special Needs Trusts**

What is a special needs trust?

- **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**

What are the trustee's responsibilities?

- Accomplishing the trust creator's goals
- Administering the trust
- Accounting and tax reporting
- Maintaining trust assets
- Developing and implementing an investment strategy
- Managing, investing and distributing wealth
- Using discretion in distribution
- Investigating claims and opposing invalid claims
- Impartially executing all trust tasks
- Defending the trust

What makes an ideal trustee?

- Immortality
- Cost effectiveness
- Corporate trustees
 - Securian Trust Company – securiantrust.com
 - Impartiality
 - Experience
 - Services to make administering your trust easier

Understand your options: Individual and corporate trustees

- Corporate trustees
- Family members and close friends
 - Knowledge, skills and abilities
 - Liability
- Individual and corporate co-trustees

Understand your options: Supplemental advisory groups

- No authority
- Trust advisory committees
 - Care managers, tax advisors, family members and attorneys
- Care managers
 - Medical needs and care
- – Benefit, tax, and financial advisors
 - Financial, legal, tax and governmental benefits issues

How should I evaluate my options?

- No 'one-size-fits-all' model
- Suggested criteria:
 - Relationship with family member
 - Financial competence (Accounting, investments, taxes)
 - Administrative capability (Legal competence)
 - Time availability
 - Trustworthiness
 - Advocacy
 - Objectivity

Trusts: A visual aid

Trust

Car

Trustee

Driver

Funding

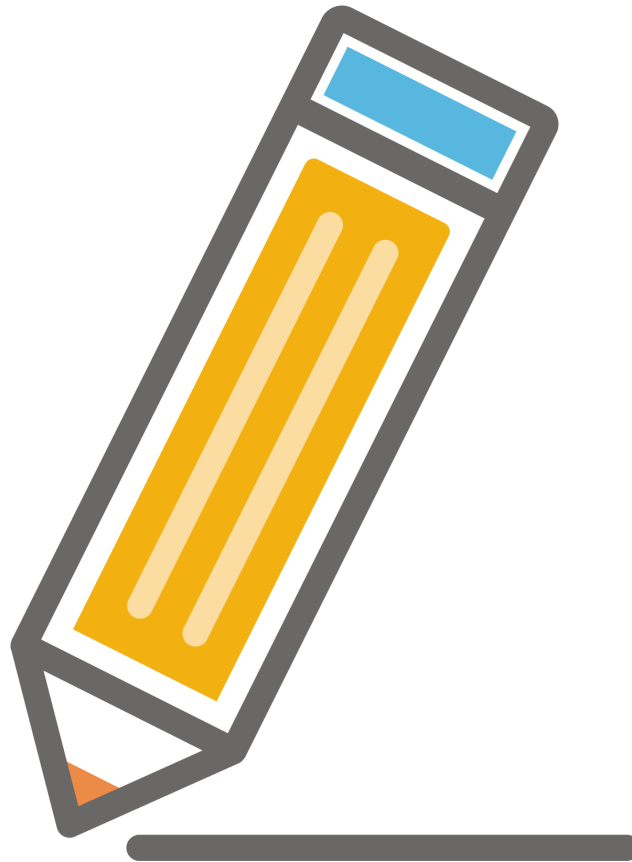
Fuel

How can my family fund a special needs trust?

- Life insurance
- Real estate
- Cash or investments
- 529 Plans
- Retirement plans*

*Requires the assistance of an attorney and Registered Representative or CPA

Step 4 – Write your vision down



Why create a ‘Letter of Intent’?

- Clearly states your intent
- Clear explanations for future Trustee or caregiver
- “Journal of Intent” or “Special Instructions”
- Not legally binding
- Supplements a trust
- Provide an easier transition for your loved one

Write a Letter of Intent

- A ‘work in progress’
- Includes information relevant to care:

Emergency contact	Physical and mental condition	Residential needs
Skill levels	Current photo	Entertainment
Personal history	Medical history	Your goals
Medical insurance	Nutritional profile	Social needs
Education	Important names and contact information	Family and friends

Helpful tools:

- ***Video of daily activities and abilities***
- ***Individual Education Plan (IEP)***

Step 5 – Review regularly



Review at least annually

- Ensure your goals are on track
- Use family member's birthday as reminder

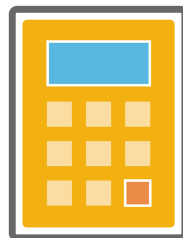
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Begin with these questions:

- 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?

Preserve the power of love

- Complimentary no obligation consultation
- A special strategy for a more secure future:
 - Identify and record your child's unique personality/needs.
 - Assess all available resources
 - Determine the best options for future care
 - Identify a preferred management style
 - Consult an attorney and other professionals
- Receive a complimentary no obligation Letter of Intent template, and begin creating and implementing your strategy today!

Questions?

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Barry Friedson – (908) 730-6346

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

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