



Timothy Leveroni, CFP®
CERTIFIED FINANCIAL PLANNER™
50 Braintree Hill Office Park
Suite #205
Braintree, MA 02184
781-848-9821
timothy.leveroni@lpl.com
www.leveroni.com



Special Needs Planning



What Is Special Needs Planning?

Special needs planning is the process of providing for the personal and financial security and well-being of an individual with a disability.

Depending on the circumstances, planning for special needs can be done by the:

- Disabled individual alone
- Disabled individual's loved ones
- Disabled individual and loved ones together

The disabled individual may be a:

- Minor or adult child
- Sibling
- Spouse
- Parent
- More distant relative or friend

The Statistics

1 in 5 U.S. residents has some level of disability--a number that represents:

- 19% of the U.S. population
- 56.7 million Americans
- 5.2% of persons ages 5 to 17

Source: U.S. Census Bureau Reports, www.census.gov, accessed February 2016

1 in 68 American children has an autism spectrum disorder

Source: Centers for Disease Control and Prevention, Data and Statistics, cdc.gov, accessed February 2016

1 in 9 older Americans has Alzheimer's disease

Source: Alzheimer's Association report, 2015 Alzheimer's Disease Facts and Figures

Goals of Special Needs Planning

- Balance your present and future needs with your loved one's present and future needs
- Create and implement personal care, financial, and legal plans
- Communicate such plans to all relevant persons
- Review and revise plans as circumstances change
- Assure family members that loved one's needs have been adequately addressed

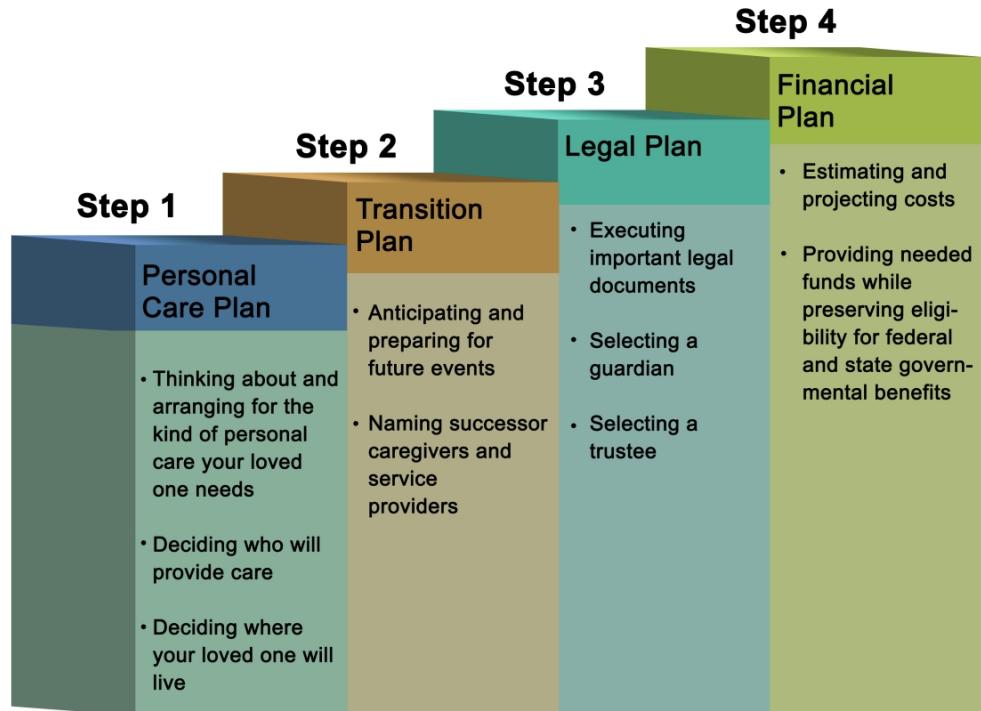


Finding Educational and Advocacy Resources and Emotional Support -- Disability-Related Organizations

- Alzheimer's Association
- American Association of People with Disabilities
- American Disability Association
- Autistic Society
- The Arc (formerly Association for Retarded Citizens of the United States)
- Consortium for Citizens with Disabilities
- Disability.gov
- Disability Resources, Inc.
- Disabled American Veterans (DAV)
- Easter Seals
- Families USA
- Institute for Independent Living
- National Disability Rights Network (NDRN)
- National Information Center for Children and Youth with Disabilities
- National Organization on Disability
- TASH
- Through the Looking Glass (TLG)



Special Needs Planning Steps



Important Legal Documents

Health-care directives

- **Living will** - a document that lists the types of medical treatment you would want, or not want, under particular circumstances
- **Durable power of attorney for health care (health-care proxy)** - lets one or more family members or other trusted individuals make medical decisions for you
- **Do not resuscitate (DNR) order** - a legal form, signed by both you and your doctor, that gives hospital staff permission to carry out your wishes



Property management tools

- **Joint ownership** - allows another person to have the same access to the property as you do
- **Durable power of attorney** - lets you name family members or other trusted individuals to make financial decisions or transact business on your behalf
- **Living trust** - a successor trustee can step into your shoes to manage property in the trust if something should happen to you

| Last Will and Testament | Letter of Intent or Instruction |
|---|---|
| A written directive that includes instructions about who is to settle your estate (the executor), who is to be the guardian for any minor children, and how estate property is to be distributed to your heirs. | A written document in which you can express specific, personal wishes regarding the ongoing care of your loved one. <i>Be aware, however, that such a letter is not legally binding.</i> |



Estimating Expenses Worksheet

Monthly Expenses for Individual with Special Needs

| | |
|---|--|
| Food (meals and dining out) | |
| Clothing (including laundry) | |
| Housing (including utilities and maintenance) | |
| Transportation services or auto/van, gas, maintenance | |
| Insurance | |
| Medical/dental care (including drugs and therapy) | |
| Special medical equipment (including maintenance and repairs) | |
| Employment (e.g., training, workshops, attendants) | |
| Education (including books, fees, and materials) | |
| Personal needs (haircuts, etc.) | |
| Care assistance (live-in, respite, custodial) | |
| Social/recreational (computer, camps, sports, etc.) | |
| Other | |
| Total | |

Federal Government Benefits

The U.S. government has over 1,000 benefit and assistance programs for persons with disabilities or special needs. Potential benefits include:

- Career development assistance
- Child care/support
- Counseling services
- Disability assistance
- Disaster relief
- Education/training programs
- Energy assistance
- Food/nutrition
- Grants/scholarships/fellowships
- Health care
- Housing insurance
- Legal services
- Living assistance
- Loan/loan repayment
- Medicaid/Medicare
- Social Security
- Tax assistance
- Veterans assistance
- Volunteer opportunities

Visit www.benefits.gov.



Medicaid

Medicaid is a joint federal and state needs-based program that helps with medical costs for some people with low incomes and limited resources. Medicaid programs vary from state to state, but most health-care costs are covered if you qualify for both Medicare and Medicaid.

People with Medicaid may get coverage for things like nursing home care and outpatient prescription drugs that are not covered by Medicare.

Supplemental Social Security Income (SSI)

Supplemental Social Security Income is a needs-based program that provides monthly income to people age 65 or older, or who are blind or disabled, and who have limited income and financial resources.

Someone can be eligible for SSI even if he or she never contributed to Social Security.

Visit www.ssa.gov



Special Needs Trust (SNT)

What is a special needs trust?

- A special needs trust is also called a supplemental needs trust
- SNTs were given "official" legal status in 1993
- Assets in a properly drafted and administered SNT will not be counted as available assets for Medicaid and SSI eligibility purposes
- Trust disbursements will not be counted as income under the rules that apply to Medicaid and SSI

What kind of property can an SNT hold?

An SNT can hold virtually any kind of property, such as:

- Cash
- Securities
- Personal property
- Real property

An SNT can also own, or be the beneficiary of, life insurance. An SNT can also receive an inheritance and personal injury settlements or judgments.

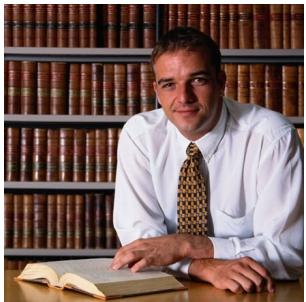
An SNT may provide for extra basic needs, such as:

- | | |
|---|---|
| <ul style="list-style-type: none">• Insurance, such as long-term care and life insurance• Medical treatment, including alternative treatment• Physical therapy• Medical equipment and aids• Home health aid and companionship services• Housing, in certain cases• Furniture and furnishings• Some utilities | <ul style="list-style-type: none">• Transportation, including the purchase of a motor vehicle• Clothing• Education• Entertainment• Trips and vacations• Computers and other electronic equipment• Athletic training and competitions• Sporting equipment• Hobbies |
|---|---|

Types of Special Needs Trusts

| | Self-Settled or First-Party SNT | Pooled SNT | Third-Party SNT |
|--|---|--|--|
| Can the disabled individual create for himself/herself? | No | Yes | No |
| Who can it be created for? | Disabled individual who is under age 65 | Disabled individual who is under age 65 | Disabled individual who is age 21 or older, depending on state law |
| Triggers Medicaid/SSI penalty period? | No | No | Maybe, depending on state law |
| Must Medicaid be paid back? | Yes | Yes, or may be directed to help others in pool, depending on state law | No |





Selecting the Right Trustee

Family member

One possible choice of trustee for a special needs trust is a family member. It might be comforting to know that the disabled individual has a loved one looking after him/her. However, family members may lack the expertise to properly administer the trust, thus jeopardizing its intended purpose.

Professional trustee

A professional trustee, such as a bank, may be in a better position to ensure that the terms of the trust instrument are met, and that the assets are properly invested and administered. However, a professional trustee may not be as familiar with the day-to-day and long-term needs of the beneficiary as family members.

Co-trustees

Combining a family member and a professional as co-trustees can provide the balance of personal touch with specialized knowledge. With multiple trustees, however, there is always the chance that disagreement may delay important decisions.

Trust protector

A trust protector is an individual, committee, or entity that has power over the trustee and can make major changes to the trust document. A trust protector does not manage the day-to-day administration of the trust; that is the job of the trustee. The purpose of a trust protector is to give flexibility to the trust, and to have a check and balance against trustee failures and abuse.

The duties of the trustee include:

- Acting with loyalty and care on behalf of the beneficiary
- Disbursing funds to the beneficiary in accordance with the trust terms
- Receiving and maintaining an inventory of trust assets, and arranging for their security and safekeeping
- Investing trust assets in a "prudent" manner
- Keeping good records of all income and principal transactions, and preparing periodic accountings
- Handling tax matters, such as filing annual tax returns
- Ensuring the maintenance of any government benefit entitlements
- Communicating with the beneficiary, family members, and all service providers
- Assisting in emergency situations

Planning for an Emergency

Note: These instructions were copied directly from www.FEMA.gov.

If someone close to you has a disability or a special need, you may have to take additional steps to protect yourself and your family in an emergency.

Check for hazards in the home

During and right after a disaster, ordinary items in the home can cause injury or damage. Anything that can move, fall, break, or cause fire is a home hazard. Check for items such as bookcases, hanging pictures, or overhead lights that could fall in an earthquake or a flood and block an escape path.

Be ready to evacuate

Have a plan for getting out of your home or building (ask your family or friends for assistance, if necessary). Also, plan two evacuation routes because some roads may be closed or blocked in a disaster.

- Create a network of neighbors, relatives, friends, and coworkers to aid you in an emergency
- Discuss your needs and make sure everyone knows how to operate necessary equipment
- Discuss your needs with your employer
- If you are mobility impaired and live or work in a high-rise building, have an escape chair
- If you live in an apartment building, ask the management to mark accessible exits clearly and to make arrangements to help you leave the building
- Keep specialized items ready, including extra wheelchair batteries, oxygen, catheters, medication, prescriptions, food for service animals, and any other items you might need
- Be sure to make provisions for medications that require refrigeration
- Keep a list of the type and model numbers of the medical devices you require
- Wear medical alert tags or bracelets to identify your disability
- Know the location and availability of more than one facility if you are dependent on a dialysis machine or other life-sustaining equipment or treatment



The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested directly.

The information provided is not intended to be a substitute for specific individualized tax planning or legal advice. We suggest that you consult with a qualified tax or legal advisor.

Securities and advisory services offered through LPL Financial, a registered investment advisor, member FINRA/SIPC



Timothy Leveroni, CFP®
CERTIFIED FINANCIAL
PLANNER™
50 Braintree Hill Office Park
Suite #205
Braintree, MA 02184
781-848-9821
timothy.leveroni@lpl.com
www.leveroni.com