

DISCUSS THE FUTURE NEEDS OF DEPENDENTS WITH SPECIAL NEEDS

TOPIC SUGGESTIONS FOR PLANNING MEETING WITH FAMILY/FRIENDS

Just as caring for a dependent with special needs is a family affair, so is the related planning.

It is recommended that caregivers host a meeting with family/friends to discuss the future medical, educational, and housing needs of their dependent with special needs. Share information about your and your dependent's vision of the future and discuss any concerns and options for future care.

Here are some recommended topics of discussion.

Letter of Intent – (Recommended to be completed prior to meeting)

- Explain what is a 'Letter of Intent'

Definition: A Letter of Intent can be used as part of a special needs estate planning process. Although it is not legally binding, this document provides direction for the person(s) who will care for the dependent with special needs in the future. It should detail medical history, daily care needs, housing and services, as well as specific wishes and expectations as they relate to the dependent's future. It is a working document for the future caregiver(s) to follow that is updated regularly.

- Discuss your completed Letter of Intent (written or video format) with your family/friends and make any necessary edits
- Advise your family/friends where your Letter of Intent is located, should it need to be accessed



Government Benefits

- Inform your family/friends what government benefits your loved one with special needs is receiving, if applicable.
- Communicate the importance of not having any assets in your dependent's name over the \$2,000 limit, in most states, for them to continue qualifying for government benefits. Examples of such assets include:
 - Cash, art, jewelry, etc. worth more than \$2,000
 - Inheritance
 - Insurance benefits



Beneficiary Designations

- Recommend everyone review their beneficiary designations on their accounts, such as life insurance policies, bank accounts, and also wills to ensure money is not left directly to the dependent with special needs or it could disqualify their eligibility for government benefits.
- There are special ways to leave money to individuals with special needs so that their government benefits are not lost, such as through a Special Needs Trust or ABLE Account.



Special Needs Trusts

- If you have a Special Needs Trust already established or plan on setting one up, explain to your family that money can still be left to an individual with special needs by listing your dependent's special needs trust as the beneficiary.
- Explain what a special needs trust is in general and how it can benefit your loved one with special needs

A special needs trust may offer a means of protecting a dependent with special needs' eligibility for government benefits, while addressing their ongoing care and needs.

In general, a trust is an arrangement by which property is held by one party (the trustee) to benefit someone else (the beneficiary). Different types of trusts suit different needs and may have different tax implications.

A trust created to benefit a person with special needs can:

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- receive assets, such as an inheritance, a court settlement, an insurance claim payment, gifts of money, or life insurance proceeds,
 - protect current or future government benefits, and
 - pay for medical care, special equipment, education, entertainment, transportation, and more.
- Consult an attorney who has experience with special needs planning. A financial professional with experience in working with special needs families can help with funding options for special needs trusts.

ABLE Accounts

- If your loved one with special needs has an ABLE Account already, share this information with your family/friends and explain what an ABLE Account is

What is an ABLE Account?

ABLE (Achieving a Better Life Experience) accounts allows eligible individuals with special needs who have a disability that manifested itself before the age of 26 to open tax-advantaged savings accounts. Only one ABLE Account can be opened per eligible individual. The account can be established by the eligible dependent with special needs, or their parent, legal guardian, or agent acting pursuant to a power of attorney. ABLE Accounts are developed and managed on a state level. Most states allow deposits from out of state residents so even if your state does not have the program you may still be able to sign up for another state's account.

Contributions can be made by anyone, including the dependent with special needs, family members, friends, etc., and must be made in cash. There are annual contribution limitations, as well as maximum accumulation amounts. Any amounts over the maximum accumulation amount could affect the dependent's eligibility for government benefits.

The funds accrue income tax free and can be used for a range of expenses related to the disability of the dependent. Upon death of the dependent with special needs or termination of the account, there is a Medicaid pay-back provision regardless of who deposited the funds.

For the most current information and states that offer an ABLE Account, please visit www.ablenrc.org

Your team of professionals

It's important to pull together a support team of professionals that can help guide caregivers through the variety of options available to plan for the future care of dependents with special needs.

The composition of the team may vary depending on your unique situation, but it should include professionals who have experience in working with special needs families, such as:

- o Special needs financial professional

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- o Special needs attorney, and
- o Perhaps a health professional and a school guidance counselor, among others.
- Advise your family who will be on your 'Team' to assist you with executing your plan for your loved one's future.

SpecialCare is a program created by MassMutual that provides access to information, specialists and financial solutions to people with disabilities and their families. For more information about Massachusetts Mutual Life Insurance Company (MassMutual) and its SpecialCare program, please visit www.massmutual.com/specialcare.

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