

Selecting Professionals for Special Needs Planning

By Minoti H. Rajput

January 14, 2021

Advisor Perspectives welcomes guest contributions. The views presented here do not necessarily represent those of Advisor Perspectives.

For parents of dependent children with disabilities, the importance of proper financial and estate planning is far more significant than merely focusing on investment or income tax planning. Many of these young and adult-age children are incapable of caring for themselves. Their future quality of life depends on their parent's abilities and desires to structure a plan in coordination with government benefits available. Unfortunately, very few professionals are well versed in this highly specialized area of planning. The results of an improperly designed plan can be devastating for beneficiary children with disabilities.

The best results in planning can be achieved by a team of professionals qualified and experienced in special needs planning. While a qualified financial planner and an estate planning attorney are the initial team members, others such as housing specialists, tax accountants, professional advocates and social workers often make up the team as well. The following are helpful guidelines in selecting financial planners and estate planning attorneys.

Financial planners

In order to be a specialist, one has to be a generalist first. A comprehensive financial planner is trained and experienced in all areas of planning such as risk management, investment and retirement planning, estate planning, as well as income tax planning. Many financial planners focus only on certain areas of planning such as investments and or insurance, which may not always provide a holistic approach in planning. Special needs planning requires knowledge of not only all areas of planning, but also of various disabilities, government benefits, special needs estate planning laws and funding strategies for special needs trust. Some financial planners have been motivated to specialize in this area due to a personal experience in dealing with a close family member or a friend. They have the compassion, patience and dedication to work with this special population.

Qualified financial planners have the designation in financial planning such as Certified Financial Planner (CFP®) and a Chartered Financial Consultant (ChFC®). The American College of Financial Services now offers a course for a Chartered Special Needs Consultant (ChSNC®). These designations also require the planners to have continuing education requirements in order for them to stay current on their knowledge base. Several life insurance companies train interested agents in special needs planning such as Met Life, Mass Mutual Life and Northwestern Mutual Life. Financial institutions such as Merrill Lynch and Morgan Stanley also have advisors that offer special needs planning. There are financial planners who are independent and choose not to be affiliated with any insurance company or other financial institutions. Families looking for a financial planner with specialization in special needs planning may consider the following in selecting their financial planner/advisor:

Securities America and its representatives do not provide tax or legal advice. The information provided is intended to serve as a basis for further discussion with your financial, legal, tax and/or accounting advisors. It is not a substitute for competent advice from these advisors. The actual application of some of these concepts may be the practice of law and is the proper responsibility of your attorney. The application of other concepts may require the guidance of a tax or accounting advisor. The company or companies listed below are not authorized to practice law or to provide legal, tax or accounting advice.

Securities offered through Securities America, Inc., Member FINRA/SIPC and advisory services offered through Securities America Advisors, Inc. Secure Planning Strategies and Securities America Companies are not affiliated.

- How long have they worked in the special needs planning area and how many families they have helped? Experience is very important.
- Does the advisor occasionally work with special needs families or is his/her practice focused on special needs planning?
- Does the advisor have a designation such as a CFP®/ChFC® and training in special needs planning?
- Is the advisor a solo practitioner or do they work with a team of other advisors also knowledgeable in special needs planning?
- Is the advisor affiliated with an insurance or investment company or is he or she independent? If the advisor is affiliated with insurance or an investment company, are they required to sell proprietary products?
- Does the advisor use a comprehensive approach and capable of addressing all areas of planning? Does the advisor have training and experience to be a quarterback and to be able to connect with other professionals for other planning needs?
- Is the advisor knowledgeable about government benefits, the state Medicaid matters, different disabilities, as well as with changes in the laws related to special needs planning?

In summary, a financial advisor specializing in special needs planning will be a key person in the lives of the family, assisting them through the various phases of the child's life as well as that of the parents. When choosing a planner, it should be for a long-term relationship.

Attorneys

The special needs planning will not be complete without creating a special needs trust for the benefit of the child with a disability as well as other estate planning documents for the parents. The special needs trust has the special language that protects the eligibility of the child's government benefits and is coordinated with financial and legal planning of the parent's as well other family members, if applicable.

Choosing the right attorney is as important as choosing a qualified financial planner. The two professionals working as a team will create a win-win situation for the family. Financial planners specializing in special needs planning already have relationships with qualified and experienced attorneys working in this area. The recommended approach is to start the planning with a financial planner and complete the legal planning with a qualified lawyer. Most qualified special needs attorneys belong to one or two of the following three professional organizations.

Special Needs Alliance: Membership for this organization for special needs planners is by invitation only. Before being invited to join, members have already gained a reputation for being among the best-

Securities America and its representatives do not provide tax or legal advice. The information provided is intended to serve as a basis for further discussion with your financial, legal, tax and/or accounting advisors. It is not a substitute for competent advice from these advisors. The actual application of some of these concepts may be the practice of law and is the proper responsibility of your attorney. The application of other concepts may require the guidance of a tax or accounting advisor. The company or companies listed below are not authorized to practice law or to provide legal, tax or accounting advice.

Securities offered through Securities America, Inc., Member FINRA/SIPC and advisory services offered through Securities America Advisors, Inc. Secure Planning Strategies and Securities America Companies are not affiliated.

qualified lawyers in their communities. The Alliance focuses on cooperative training, problem-solving, and professional development for its members.

The Academy of Special Needs Planners: This organization is for qualified attorneys, financial planners and trust officers and assists them in providing the highest quality service and advice to persons with special needs and to their families. The Academy provides its members with the latest information on legal developments nationwide and a forum for exchanging best practices in providing service to persons with special needs. It also provides special needs professionals the tools and education to improve their understanding of the unique challenges that arise during special needs planning.

The National Academy of Elder Law Attorneys (NAELA): Attorneys practicing in the special needs area often specialize in elder laws as well due to the similarities in planning laws. NAELA is the largest national organization with special focus on special needs planning. The group holds several annual training and educational programs at the national level. Membership is voluntary and is open to all interested attorneys.

Some families may need additional legal counselling for complex estate planning involving business-succession planning, advanced estate tax planning, charitable planning and divorce planning. Not all special needs attorneys are qualified in other areas of planning. Families in need of such planning may rely on their financial planners and work with firms with multidisciplinary practices including special needs or coordinate the services of special needs attorney with other attorneys.

The right professionals will also guide the families in monitoring their plans through changes in the family situations or changes in the laws. Keeping the plans current is detrimental to the success of the plan

Minoti Rajput CFP®, CHSNC® is a nationally acclaimed wealth management advisor and has been in practice for over forty years. She is the founder and principal advisor of Secure Planning Strategies in Southfield, MI. Minoti is a nationally recognized expert in planning for families with special needs family members. She is dedicated to finding the right ways for these families to plan and provide lifelong care for their loved ones. She is the author of several articles on special needs planning as well of "Beyond a Parent's Love," her book on Lessons Learned in Life-Planning for Special Needs Children

Securities America and its representatives do not provide tax or legal advice. The information provided is intended to serve as a basis for further discussion with your financial, legal, tax and/or accounting advisors. It is not a substitute for competent advice from these advisors. The actual application of some of these concepts may be the practice of law and is the proper responsibility of your attorney. The application of other concepts may require the guidance of a tax or accounting advisor. The company or companies listed below are not authorized to practice law or to provide legal, tax or accounting advice.

Securities offered through Securities America, Inc., Member FINRA/SIPC and advisory services offered through Securities America Advisors, Inc. Secure Planning Strategies and Securities America Companies are not affiliated.