



Duane E. Lee, II
Cannon Financial Institute,
CFP®, AIFA CWS®, CTFA®,
CRSP®,
Executive Vice President
649-4 South Milledge Ave.
Athens, GA 30604
706-353-3346
dlee@cannonfinancial.com
www.cannonfinancial.com

Special Needs Planning



Inside Workbook:

What Is Special Needs Planning?	2
Goals of Special Needs Planning	3
Special Needs Planning Steps	4
Important Legal Documents	5
Estimating Expenses Worksheet	6
Federal Government Benefits	7
Special Needs Trust (SNT)	8
Types of Special Needs Trusts	9
Selecting the Right Trustee	10
Planning for an Emergency	11

Prepared for:
Duane's Instructor Corner

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. That number represents:

- 19% of the U.S. population
- 49.7 million Americans
- About the combined populations of California and Florida

Source: U.S. Census Bureau, 2000

7% of boys and 4% of girls age 5 to 15 have disabilities.

Source: U.S. Census Bureau, 2000

1 in 110 American children have an autism spectrum disorder

Source: Centers for Disease Control and Prevention, 2011

Alzheimer's develops in someone in America every 69 seconds

Source: Alzheimer's Association, 2011

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
- Provide peace of mind and family harmony



Finding Educational and Advocacy Resources and Emotional Support

Disability-Related Organizations

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

Special Needs Planning Steps

- STEP 4:** Create and execute a financial plan.
- Estimating and projecting costs
 - Providing needed funds while preserving eligibility for federal and state government benefits

- STEP 3:** Create and execute a legal plan.
- Executing important legal documents
 - Selecting a guardian
 - Selecting a trustee

- STEP 2:** Create a transition plan for the continued personal care of your loved one as circumstances change.
- Anticipating and preparing for future events
 - Naming successor caregivers and service providers

- STEP 1:** Create and implement a personal care plan for your loved one.
- Thinking about and arranging for the kind of personal care your loved one needs
 - Deciding who will provide care
 - Deciding where your loved one will live



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

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.

Letter of Intent or Instruction

A written document in which you can express specific, personal wishes regarding the ongoing care of your loved one.

Be aware, however, that such a letter is not legally binding.

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:

- ◆ 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
- ◆ Career development assistance
- ◆ Child care/support
- ◆ Counseling services
- ◆ Disability assistance
- ◆ Disaster relief
- ◆ Education/training programs

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)

The 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.

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

- √ 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
- √ 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.

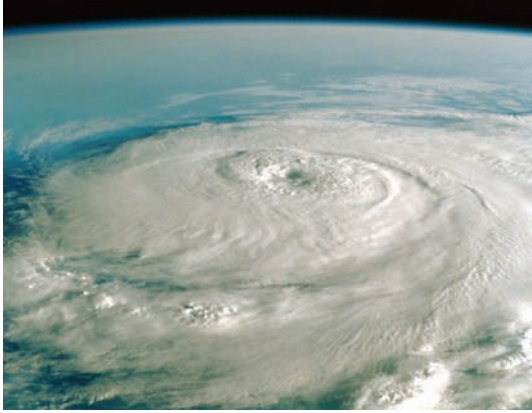


The duties of the trustee include:

- 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



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dlee@cannonfinancial.com
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