

### **WHY PLAN?**

To relieve yourself of the worry of what will happen to your loved one when you are no longer able to care for them or when you die.

### **WHAT HAPPENS IF YOU DON'T PLAN?**

The government steps in with their own plan, which can mean any of the following:

1. If the state cannot find a single home for all of your children, they could be sent to live in separate homes.
2. Government decides how and when your assets will be disbursed
3. Government will choose who will care for your loved one
4. With no forethought and with no planning the guardian and trustee will be blind in regards to the financial needs of your loved one, as well as their emotional needs
5. Regardless of the amount of money your loved one receives it is automatically subject to repayment of Medicaid for all healthcare previously provided
6. In addition to payback of Medicaid if their assets are more than \$2,000 they will also lose SSI (Supplemental Security Income) and future Medicaid benefits
7. With these government benefits now gone your loved one's standard of living will be dramatically reduced.
8. At this point, Medicare may be the only healthcare benefit available to your loved one. Unfortunately, the wait can be 25 months  
– Can your loved one wait over 2 years for health care?

### **WHY PARENTS DON'T PLAN?**

1. A feeling of being overwhelmed by the size of the planning task
2. Not enough time to dedicate to planning
3. Don't know where or how to start
4. Not sure who to trust and who to ask for help
5. Don't think they have enough money to worry about
6. It's Hard enough to get through each day

### **CHOOSING PROFESSIONALS TO WORK WITH:**

(FINANCIAL PLANNERS AND ATTORNEYS)

1. Ask other Parents
2. Ask Trusted Organizations
3. Ask for References
4. Go with your gut – Who makes you feel comfortable and at ease?

### **7 PLANNING TIPS FOR PARENTS**

1. Have a Will and Designate a Guardian
2. Set up a Trust
3. Buy enough Life Insurance
4. Write a letter of intent
5. Share your Plan
6. Make it a Team Effort
7. Don't Forget about Yourself

### **WHAT IS LETTER OF INTENT?**

A handbook for the people or person who will care for your loved one when you are gone. It contains 3 essential sections:

1. Medical History of Your Loved One
2. Your Loved One's day to day activities
3. Your hopes and dreams for Your Loved One

## **Proper Planning Speaks For Those Who Cannot Speak For Themselves**

### **10 MOST COMMON MISTAKES IN SPECIAL NEEDS PLANNING**

- #10. Never Made Next Caregiver Official - Who will take care of your child? #9. Communication is Absent - No Letter of Instructions to next caregiver. #8. Your Social Security Retirement Decision - Don't understand how this affects your child.
- #7. Plan to use Disinheritance Model - Just give it all to another child.
- #6. Never Defined Future Needs - How much will it cost for your child to live for a lifetime?
- #5. Never Secured Your Own Future - Calculating how much to support your entire family?
- #4. Never Set up your Will - If you don't, your government has one for you you may not like.
- #3. Incorrect Beneficiary Designations - Small detail with potentially devastating implications
- #2. Don't Understand Tax System - The impact of taxes on the money you leave your child.
- #1. Having a special needs trust is enough - It is a tool but there is much more to consider.

**To Get Your Plan Started Go To  
[www.CustomSpecialNeedsPlan.com](http://www.CustomSpecialNeedsPlan.com)**



**BENEFITS OF A SPECIAL NEEDS TRUST**

1. Coordinate Available Resources
2. Ensure Continuation of Government Benefits
3. Provide Supplemental Needs for Life
4. Improve Quality of Life
5. Direct Final Distributions

**WHEN DO YOU SET UP A TRUST?**

Many parents will set up a testamentary trust (details of trust will be within your Will), which means the trust comes into existence at the death of the parent. You can also set up a trust while you are still alive, which is called a living trust.

**WHO DO YOU CHOOSE AS A TRUSTEE?**

Many families choose a family member or close friend. It is highly recommended to have a Co-Trustee where you choose a Corporate Trustee. A Corporate Trustee is a financial institution like a bank, insurance company, or investment company. It is important to choose a company that has experience with managing Special Needs Trusts. Consequently, if funds are distributed improperly the trust can be disqualified; therefore, your loved one will lose his or her government benefits (Medicaid or SSI).

**WHAT DOES THE TRUSTEE DO?**

The trustee is the person that will determine how the money in the trust is spent. They are responsible for managing the money within the trust, as well as the ad-

**TYPES OF SPECIAL NEEDS TRUSTS**

1. Self Settled or d(4)(A) Trust – These trusts have a payback provision to Medicaid, and should only be used with the special needs loved one’s own money.

2. Third Party or Supplemental Needs Trust. These trusts are set up by parents, grandparents, aunts or uncles, or siblings, and must use their money or assets in doing so. This type of trust should not be created with any funds from the special needs individual.

3. Pooled or d(4)(C) Trust. This type of trust is created and managed by a non-profit organization with a corporate trustee. Particularly, these are used in cases when the family does not have anyone to act as trustee or does not have enough assets to set up a d(4)(A) or a Third Party Trust (Supplemental Needs Trust).

**GUARDIANSHIP**

In order to qualify for Guardianship your loved one must meet the definition of “incompetent adult.”

**Type of Guardianship**

**1. Guardianship of the Person**

This person is responsible for the personal welfare of the special needs individual. These responsibilities can vary greatly from making decisions regarding residential, medical care, education, work, recreational activities, clothing, professional services, etc.

**2. Guardianship of the Estate**

This person is responsible for managing and investing the special needs individual’s property with the objective to preserve and protect that property.

Combining these two types of Guardianship means you have General Guardianship.

**ENSURE YOU NEVER LIST CHILDREN UNDER THE AGE OF 18 AS A BENEFICIARY ON LIFE INSURANCE OR RETIREMENT PLANS**

**WHY HAVE A FAMILY CARE NOTICE?**

1. Communicates your plan to extended family like Grandparents
2. Instructs extended family and friends on how to correctly provide financial gifts for your loved one
3. Ensures your Plan is not sabotaged by a well intending family member or friend

**5 STEPS TO CREATING a Custom Special Needs Plan™**

1. Family Discovery and Review
2. The Strategic Special Needs Timeline and Blueprint
3. The Personal Planning Vision
4. Solutions and Strategies Activator
5. The Custom Plan Inspection

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