

# Financial Planning for Families with Special Needs

## *Education Series*

## *Handbook*

## Notes

### WE BELIEVE

*Every human being  
has a right to live life  
to his or her fullest potential.*

*Desperation and fear  
are Mankind's oldest enemies.*

*A society may fairly be judged  
by the extent to which it spares  
its most vulnerable citizens  
from having to endure them.*

### OUR HERITAGE

*Self-sufficiency is less satisfying  
to the soul than caring  
for one another.*

*As Mankind truly is one family,  
what benefits any one of us  
enhances the lives of us all.*

*Those of us with greater needs  
ennoble their loved ones  
by enabling them to feel needed.*

### OUR GOAL

*Make it possible for people  
(both the less and more fortunate)  
to achieve peace of mind.*

*To love another  
means you can't feel things  
are okay until you know  
they feel that way.*

*Your peace of mind  
depends on knowing you've helped  
bring peace of mind to the other.*

# Chapter 1 - Marcia's Story



## Exercise

**1** What are your key business objectives?

**2** What makes a market segment valuable to your business? How can the special needs segment help you build your business?

**3** Think of your best clients, the ones with whom you have really deep relationships. Estimate what it would be worth to your business if you had that same type of relationship with an additional 20% of your clients.

**4** What are some of the business risks that you must acknowledge as an advisor to clients? What is the value to you of minimizing those risks?

For example , Your Business Opportunity in the Special Needs Market =  
[Value of Top Clients LESS Value of Avg Client] \* Total # of clients \* 18%\*

\*National Safety Council, Injury Facts 2008 Ed.

## Review

- 1** Basic knowledge of special needs planning is important for professionals working with families with special needs in which service industries:
- a. Financial Services
  - b. Medical/Clinical Services
  - c. Social Work
  - d. Education
  - e. B & C
  - f. A, B & D
  - g. A, B, C & D

# Chapter 2 - The Client Connection



## Notes

Physical  
Preparation  
Genuine  
Planning  
Appreciate the situation  
Authentic  
Dreams  
Developmental  
Focus  
Achievement  
Fulfilling  
Mental Illness  
Aspirations  
Fears  
Trust  
Cognitive  
Abilities  
Teamwork  
Hopes  
Reaching a Goal  
Options  
Expectations

## Chapter 2 - The Client Connection



Exercise - Use the corresponding charts to complete each exercise.

- 1** In priority order, starting with you most important client, use the following charts to list all the clients you have that you know have a family member with special needs (Chart A), do not have a special need (Chart B) or are not certain if they do or not (Chart C).
- 2** Out of the lists you created above, put a star next to the names of anyone with whom you have never had a conversation about special needs for the family.
- 3** For those clients with whom you have never had a conversation about special needs, describe the barrier that has kept you from having that conversation. What questions will you ask these families if you believe there may be a special need? What questions will you ask those families for whom you have no idea if there is a special need or not?
- 4** With your list of “starred” clients, consider why you have never had such a conversation, and what the risks and benefits are to having such a conversation. How will you approach them on the topic? What questions will you ask?
- 5** Based on what you now know about special needs, how might the families in your list feel when asked about having a family member with special needs? How will you respond if it turns out that they do not have such a member? How will you respond if they do? How do you want the family to feel after you have met with them? What steps will you take to ensure that outcome is realized?
- 6** In the margin next to the name of each starred client, write your target date for making contact.
- 7** For those clients on Chart B, for whom you know there is no special need, indicate how you will approach these clients to discuss your new partnership with Protected Tomorrows and your experiences with special needs families.
- 8** For those clients on Chart B, for whom you know there is no special need, think about referral or business opportunities that may develop as you deepen the client relationship.

# Chart A - The Client Connection



Clients with Special Needs	Need to Discuss	Barrier	Risks/ Benefits	Approach/ Questions	Response / Next Steps

# Chart B - The Client Connection



Clients with NO Special Needs	Approach / Questions	Referral / Business Opportunities



# Chart C - The Client Connection



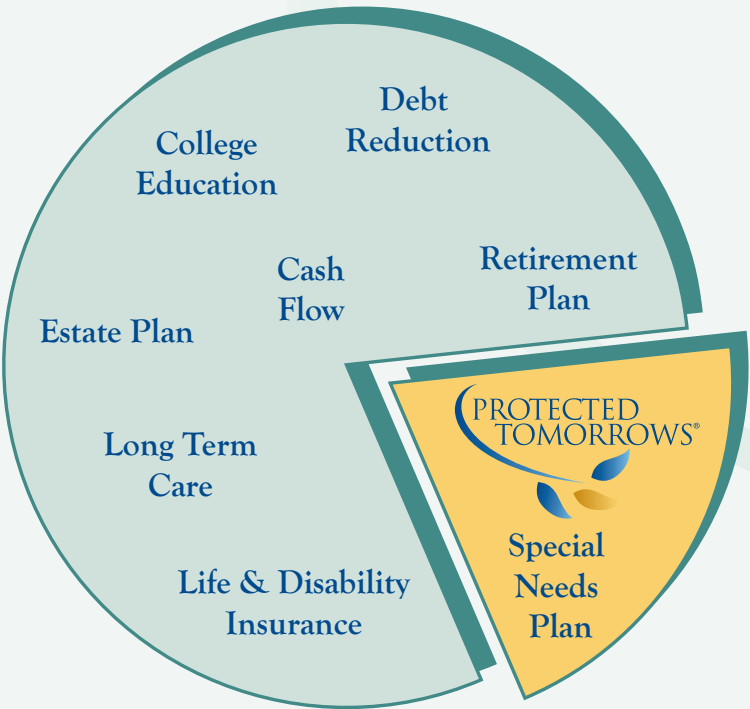
Clients - Not sure if Special Needs	Need to Discuss	Barrier	Risks/ Benefits	Approach/ Questions	Response / Next Steps	

## Review

- 1** Categories of disabilities include:
  - a. Cognitive
  - b. Physical
  - c. Economic
  - d. Mental Illness
  - e. Developmental
  - f. B & D
  - g. A, B, D & E
- 2** Which families need to be concerned about proper planning for the future of their loved one with special needs? Families with assets and income categorized as:
  - a. less than \$2,000, low income
  - b. assets of less than \$1M, middle income
  - c. assets of more than \$1M, high income
  - d. assets of more than \$5M, income higher than \$300K
  - e. all of the above
- 3** When working with a family with special needs, it is important to know the following:
  - a. The specific disability of the individual, but only if the person with a disability is between the ages of 17 and 22
  - b. It is enough to know that the family has a member with special needs – it is not important to know the details
  - c. General information about the specific disability and the age of the person with special needs
  - d. The complete clinical diagnosis including history of medical tests, medications currently used and therapies
  - e. All of the above
- 4** What makes understanding the needs of families with special needs families important to your practice?
  - a. Significant portion of the population is affected by special needs (20%)
  - b. People with special needs get their referral sources from peers at support groups and from special needs organizations providing programs and services to them
  - c. Government programs will help people with special needs in the future and therefore no special planning is required for this market segment
  - d. A & B
  - e. A & C

Notes

Family Financial Plan



# Chapter 3 - Financial Planning for Families with Special Needs

## Exercise

**1** How will you ensure that your clients with a family member who has special needs get a plan that meets their needs?

**2** For each of the four types of disabilities discussed in Chapter 2 (developmental, cognitive, physical, mental illness), write down your thoughts on how the financial plan developed for a family who has a member with that disability might differ from other plans you have created in the past for families that did not have members with disabilities.

*Use the Chart on the following page to complete exercises 3 & 4 below.*

**3** Re-list each client from Chapter 2, Chart A, in the same order. Then, next to each name write the specific disability that their family member has. From what you assessed in question 2, what may be unique about the plan?

**4** Given this special need, how will you prepare specifically for the meeting with each of the families in your list.

**5** For those clients in Chapter 2, Chart C, for whom you do not know whether there is a special need or not, what questions will you ask to be certain you have uncovered their true financial planning needs.

# Chapter 3 - Financial Planning for Clients with Special Needs



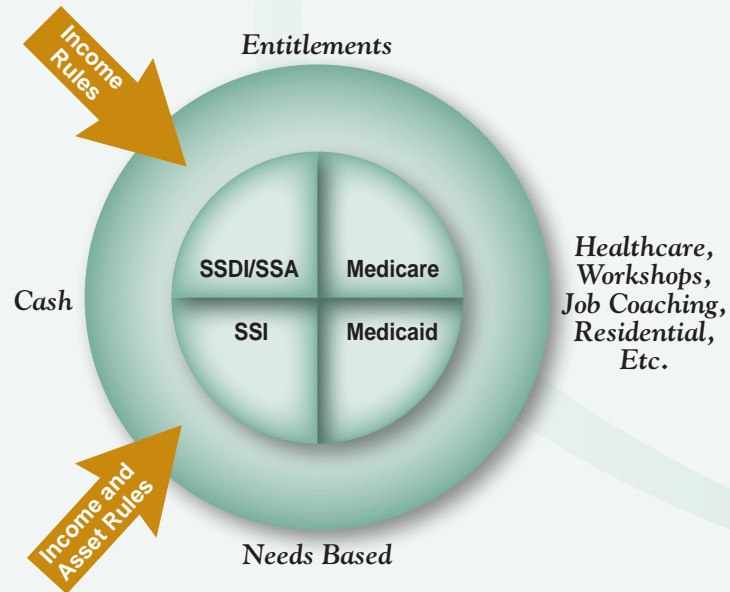
Clients with Special Needs	Disability	Unique Aspects of Plan	Preparation

## Review

- 1** Liabilities that may be incurred by some professionals when working with families with special needs include:
- a. remainder beneficiaries of estate of person with disability question incorrect financial planning
  - b. person with special needs government benefits have been reduced and/or eliminated due to incorrect financial planning
  - c. client, student or family with special needs given improper advice
  - d. A & B
  - e. A, B & C

- 2** When calculating how much money a family will need to set aside for the future care of their loved one with special needs, it is important to consider the following expenses:
- a. medical expenses
  - b. residential
  - c. recreation
  - d. education
  - e. All of the above
  - f. A & B only

## BENEFIT PROGRAMS



### Sample Social Security Statement (partial)

#### Your Estimated Benefits



▼ *Retirement	At your full retirement age (65 years), your payment would be about...	\$1,000 a month
▼ *Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
▼ *Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits.	
	Your child....	\$700 a month
	Total family benefits cannot be more than...	\$1,700 a month

# Chapter 4 - Government Benefits for Special Needs



## Exercise

*Use the Chart on the following page to complete exercises 1-3 below.*

- 1** Re-list each client from Chapter 2, Chart A, in the same order. Then, based on what you have learned in this chapter, write “RLB” next to each name if the family may be at risk of losing their benefits.
- 2** For the same list above, based on what you learned in this chapter, write “PB” next to the name of any family that is at risk of having to provide a significant payback.
- 3** Based on the list you have created here, what will you do to help these clients with whom you have identified a possible improvement to their financial plan with respect to government benefits?
- 4** For those clients in Chapter 2, Chart C, for whom you do not know whether there is a special need or not, what questions will you ask to detect any benefit issues to ensure they have as much financial security and access to government programs as possible?



# Chapter 4 - Government Benefits for Special Needs



Clients with Special Needs	Loss of Benefits?	Possible Payback?	Financial Plan Improvements for Government Benefits

# Chapter 4 - Government Benefits for Special Needs



## Review

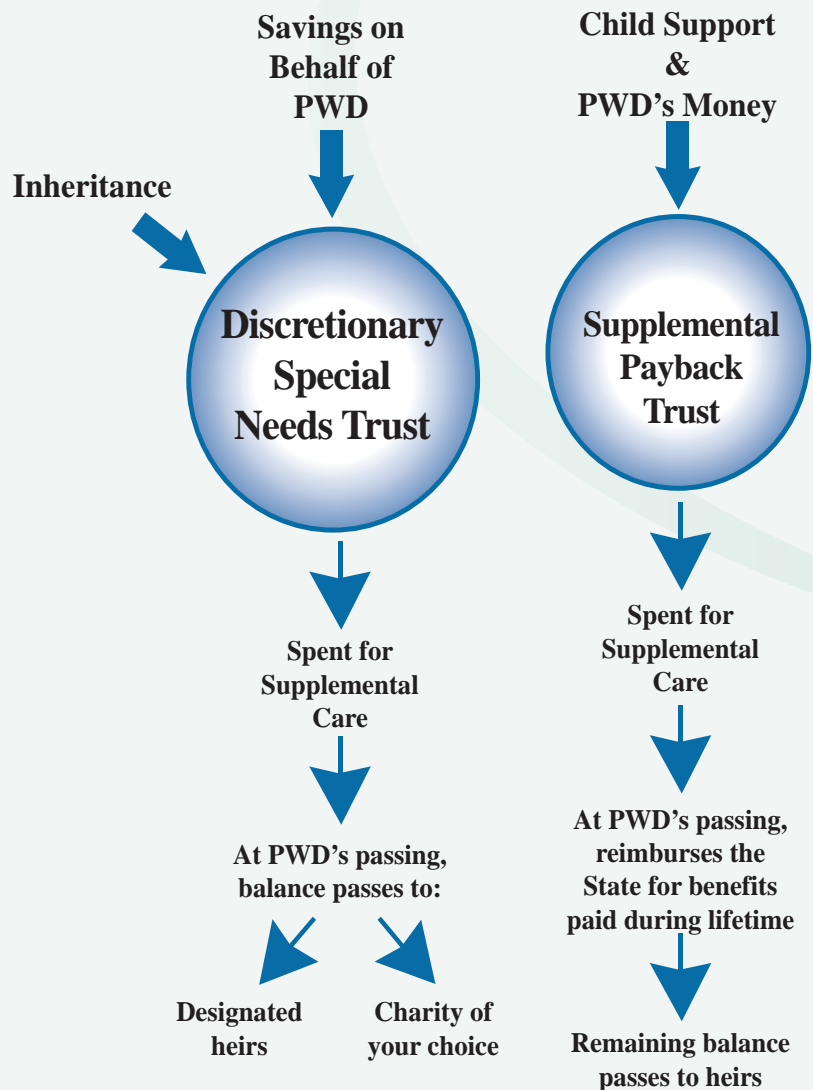
- 1** Which of the following rules apply to Social Security Disability Insurance (SSDI)?
- a. Asset limitation of \$2,200, house and car
  - b. Income limitation of \$1,010/month
  - c. Asset limitation \$1,500 cash only, no tangible assets allowed
  - d. Asset limitation \$2,000, house, car and pre-paid funeral
  - e. B & D

- 2** The following programs may be available to individuals eligible for Medicaid:
- a. Healthcare coverage
  - b. Recreational and vocational workshops
  - c. Home based services
  - d. Food stamps
  - e. B & C
  - f. B, C & D
  - g. A, B, C & D

- 3** Entitlement benefits programs include:
- a. Medicaid
  - b. SSDI
  - c. Medicare
  - d. SSI
  - e. B & C
  - f. A, C & D
  - g. A, B, C & D

- 4** SGA (Substantial Gainful Activity) is defined by the Social Security Administration (SSA) as:
- a. An amount a person is unable to attain on a monthly basis due to disability
  - b. An amount a person is unable to attain on a monthly basis due to an inability to find employment
  - c. An amount a person is able to exceed on a monthly basis due to a disability
  - d. None of the above

## Special Needs Trusts



PWD - Person with Disabilities

## Exercise

*Use the Chart on the following page to complete exercises 1-3 below.*

- 1** Re-list each client from Chapter 2, Chart A, in the same order. Then, based on what you have learned in this chapter, put a “T” next to all your clients who may have family members who are beneficiaries of a special needs trust.
- 2** For each client listed above, based on what you have learned in this chapter, put a checkmark next to any name which you will want to re-check to ensure that the most effective trust possible is in place.
- 3** For each client checked above, list the approach or the questions you will ask in order to ensure that the most effective trust possible is in place.

- 4** For those clients in Chapter 2, Chart C for whom you do not know whether there is a special need or not, what questions will you ask to uncover any trust issues to ensure they have as much financial security and access to government programs as possible.

# Chapter 5 - Special Needs Estate Planning



Clients with Special Needs		Special Needs Trust (SNT)?	Need to Review SNT?	Approach / Questions to Review SNT

## Review

- 1** A standard best-practice when considering assets to be used for the care of the person with special needs in the future is:
- a. Titling assets directly to a person with special needs
  - b. Titling physical property to a person with special needs and liquid assets to a special needs trust
  - c. Titling all assets to a special needs trust
  - d. A & B
  - e. All of the above

- 3** The following statements are true when considering the rules of a First Party Special Needs Trust:
- a. Holds money that is not owned by the person with special needs
  - b. Can be set up to hold inheritances given directly to a person with a disability
  - c. Child support must be ordered by court to be paid to First Party Trust
  - d. Is established to hold the funds of a person with a disability
  - e. B, C & D

- 2** The following statements are true when considering the general rules of a Third Party Special Needs Trust:
- a. Requires a pay back to the State government at the death of the primary beneficiary
  - b. Holds child support funds after the person with a disability turns 18
  - c. Can be established by anyone EXCEPT the person with a disability
  - d. Has one or more primary beneficiaries

- 4** Clients with a family member with special needs should be concerned with titling of which of the following assets:
- a. Personal investment accounts - owner
  - b. IRA and/or 401(k) – primary and remainder beneficiary
  - c. Life insurance – owner, insured, primary and remainder beneficiary
  - d. Living Trust – primary and remainder beneficiary
  - e. A & D
  - f. A, B & D
  - g. A, B, C & D

## Notes

Medical



Routines



Social



Residential



Employment



Education



# Chapter 6 - Family Communication



## Exercise

*Use the Chart on the following page to complete exercises 1 and 2 below.*

**1** Re-list each client from Chapter 2, Chart A, in the same order. Based on what you have learned in this chapter, and based on what you know of each client, write "NBC" next to each client whose family may need to improve communication among the family members in order to ensure an effective transition and stable financial future for the family member with special needs.

**2** Looking at your list, what questions will you ask or what approach will you take in order to ensure that the right conversations are taking place within the family.

**3** For those clients in Chapter 2, Chart C, for whom you do not know whether there is a disability or not, what questions will you ask to detect any family communications issues that may hinder family financial security and access to government programs?



# Chapter 6 - Family Communication



Clients with Special Needs	Needs Better Communication	Approach / Questions to Discuss Family Communication

## Review

- 1** What consequences could come from a family completing a special needs plan for their loved one and NOT communicating the plan to other family members?
- a. Person with special needs may become ward of the state because future caregivers named in plan were not prepared to accept responsibility
  - b. Gifts of inheritance may be left in the name of the person with special needs
  - c. Access to government benefits (which may include critical support services) may be lost
  - d. A & B
  - e. A, B & C
  - f. None of the above

- 2** Transition to a future caregiver can be difficult for the caregiver and for the person with a disability. One way to ease the transition is to document the following details:
- a. behavioral traits
  - b. favorite foods
  - c. routines
  - d. friend's names
  - e. A & C
  - f. A, B, C & D

## Notes

### OUR BATTLE CRY

*Live and help live.  
Provide a person  
with the means to live  
a fuller life, and you give more  
meaning to yours.*

### THE KEY

*Help those with special needs  
attain greater independence and security.  
If only the strong were to survive,  
wouldn't all of our lives  
be greatly diminished?*

### OUR VALUES

*Prepare. Protect. Provide.  
The families who count on us  
expect nothing less.*

### OUR SPIRIT

*The rock.  
We are dedicated,  
dependable and enduring.*

# Chapter 7 - Your Story



## Exercise

**1** Consider your client base and current relationships. What are the three most important take-aways for your business?

**2** What are your three most important next steps?

**3** Which client(s) of yours, if any, might benefit immediately from your partnership with Protected Tomorrows?

**4** Contact Us

To refer your client directly to Protected Tomorrows: 866-544-NEED (6333)

To inquire about special needs or working with families: Visit Member Forum

Questions/feedback on the Member Website or the Membership Program: [members@protectedtomorrows.com](mailto:members@protectedtomorrows.com)

Questions on how to work with Protected Tomorrows: 866-544-NEED (6333)

Protected Tomorrows, Inc.  
103 Schelter Road  
Lincolnshire, IL 60069  
Phone: 847-522-8086  
Fax: 847-522-8081

## Review

- 1 Working with families with special needs requires:
  - a. an expert level of knowledge and many years of experience
  - b. a desire to be authentic and deepen relationship by asking the right questions
  - c. a connection to resources for yourself and your client
  - d. all of the above
  - e. B & C only

# Appendix - Special Needs Account Plan



Use the Special Needs Account Plan to create an overall approach for clients with special needs.

<u>CLIENT</u> Last Name: First Name: Address:  Contact:	<u>SPECIAL NEEDS PLANNING OPPS</u> (Gov't benefits, trusts, funding, health care, education, residential employment)	<u>RELATIONSHIP-DEEPENING OPPORTUNITIES</u> (enhancing personal connections, etc.) 1.  2.  3.   <u>KEY RELATIONSHIP QUESTIONS FOR CLIENT/ADVISOR ACTIVITIES</u> 1.  2.  3.  4.  5.	<u>BUSINESS GROWTH AND MANAGEMENT OPPORTUNITIES</u> (new products, services, risk management, etc.) 1.  2.  3.   <u>KEY BUSINESS ENHANCEMENT QUESTIONS FOR CLIENT/ADVISOR ACTIVITIES</u> 1.  2.  3.  4.  5.
<u>SPECIAL NEED</u> Type or Unknown:  Family Concerns:	<u>APPROACHES / KEY QUESTIONS TO CLIENT TO OVERCOME BARRIERS, ETC.</u>	<u>KEY NEXT STEPS / DATES</u> 1.  2.  3.  4.  5.	