



SUPPORTED FINANCIAL PLANNING FOR WHEN PARENTS ARE GONE

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Investment Advice offered through Private Advisor Group, a registered investment advisor.

WHAT WE ARE GOING TO COVER

- 1.) Why Planning for the future is so important
- 2.) Documents and accounts you need to be aware of
 - Special Needs Trusts Vs. ABLE Accounts.
 - Some pitfalls in estate planning
- 3.) Ideas on developing a team of support

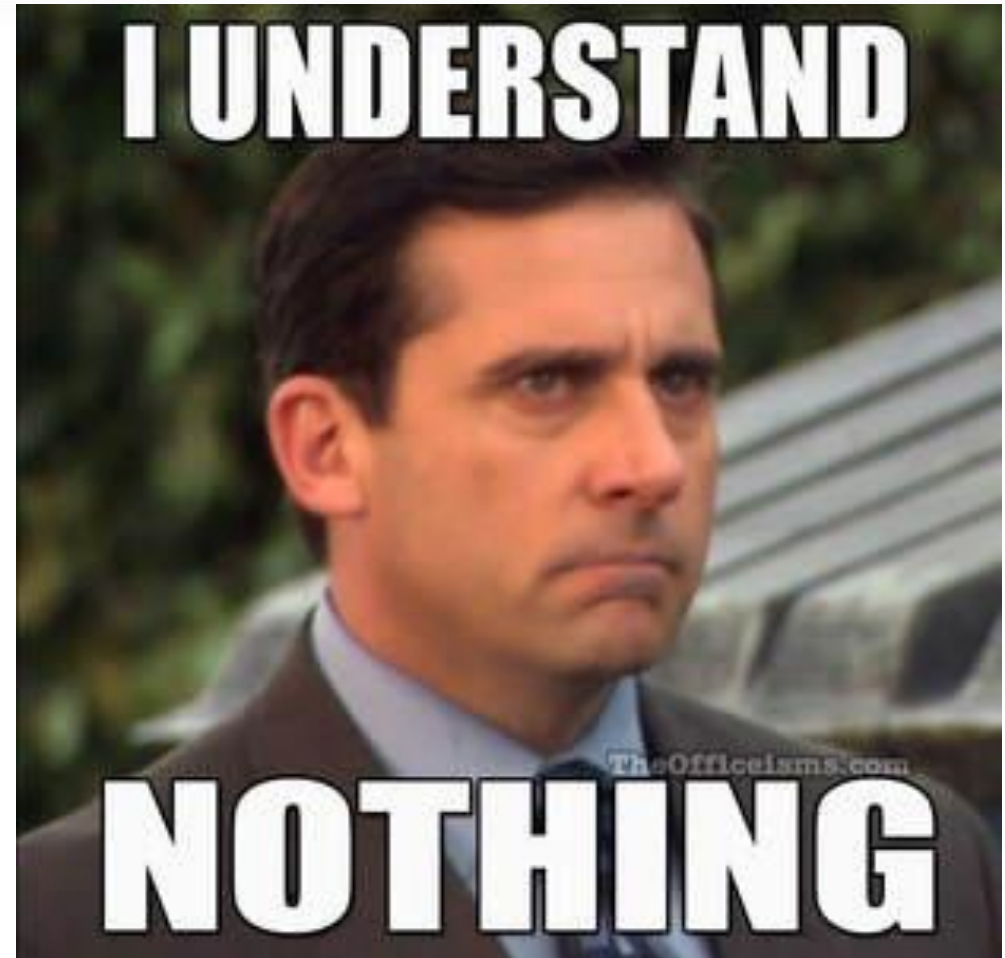




WHY PLANNING IS IMPORTANT

GOVERNMENT BENEFITS

- **Money**
 - Supplemental Security Income (SSI)
 - Social Security Disability Insurance (SSDI)
 - Disabled Adult Child (DAC)
- **Medical**
 - Medicaid
 - Medicare
- **Housing**
 - Living with Parents/Family
 - Section 8 Housing /Group Homes/
Supportive Living



SUPPLEMENTAL SECURITY INCOME



- Social Security Disability Insurance (SSDI)
 - Pays benefits to disabled individuals who are unable to work regardless of their income and resources
- Supplemental Security Income (SSI)
 - Pays disabled individuals who are unable to work AND have limited income and resources



SSI AND MEDICAID

- Financially Means Tested
- Limited Assets and Income Allowed
- Parental deeming stops at age 18
- In-kind support and maintenance may reduce SSI benefit
 - Food and Shelter
- SSI is the gateway to Medicaid

Medicaid

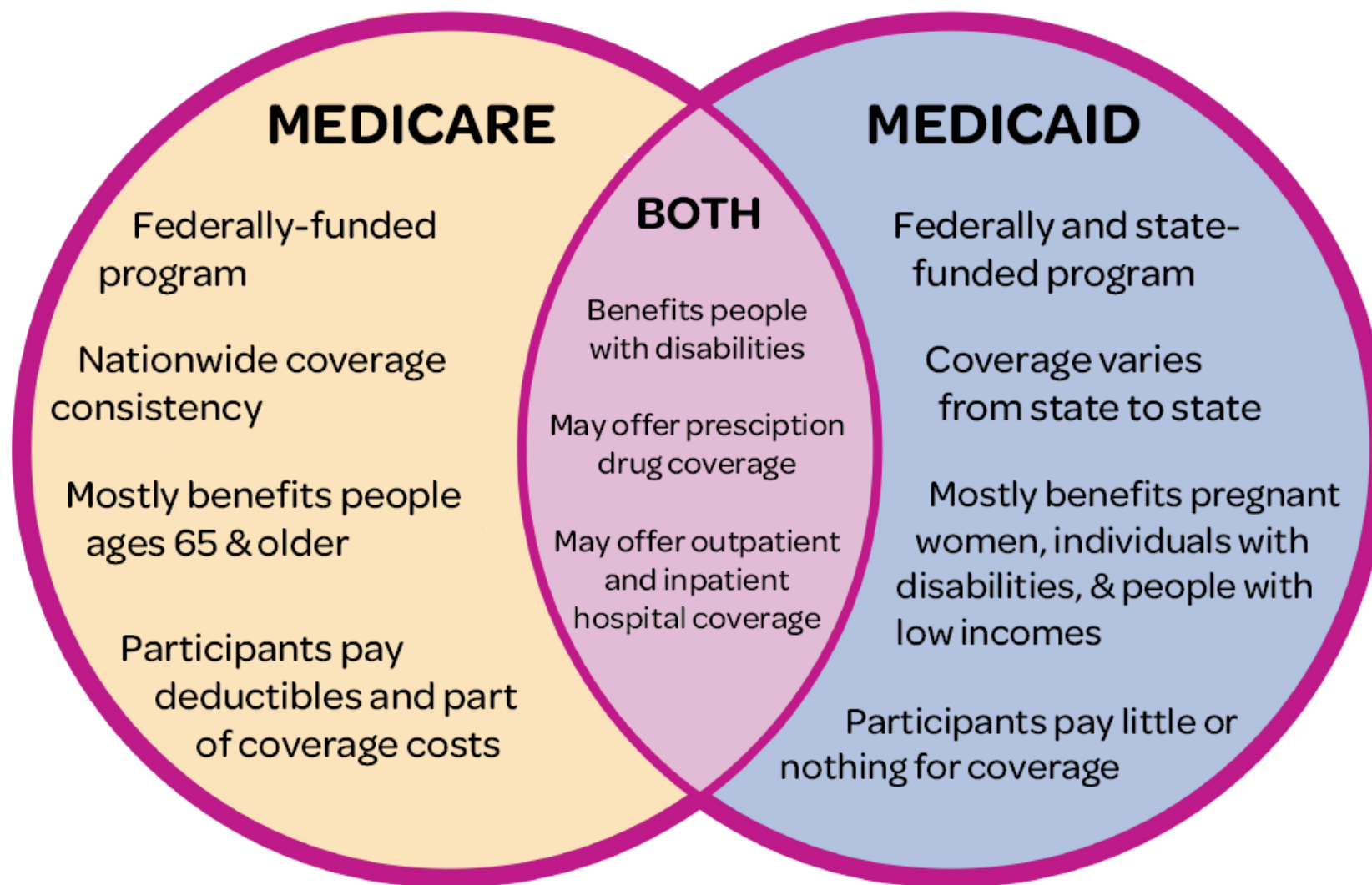


SSDI AND MEDICARE

- Not financially means tested
- No limit on assets
- No reduction of SSDI for in-kind maintenance and support
- Medicare coverage
 - Subject to a two year waiting period with certain exceptions



Medicare vs. Medicaid: Which Coverage Option is Best for You?





HOW YOU CAN BE FINANCIALLY PREPARED

CONTRIBUTING TO AN ABLE ACCOUNT



- Contributions are made post-tax by any person
- Contributions are NOT tax deductible for federal income taxes
- May be income tax deductible in some states
- Account owners have the ability to control their own funds when able
- Investments grow tax free for qualified expenses



ADVANTAGES OF ABLE

- Why May One be Necessary?
 - Income from ABLE accounts do not impact eligibility for public benefits
 - SSI
 - SNAP
 - Medicaid
 - Benefits for these programs cease after assets reaches more than \$2000.
 - ABLE accounts operate without increasing that number



BUT WHO WILL MANAGE THE MONEY



- Make it as easy as possible
 - Plan to make sure that the money should last
 - Take into consideration how much money is needed
- Taxes matter
 - Planning for tax efficient growth and income at different stages of your life and theirs
- Are we planning for the proper time horizon?
 - Make sure there are accurate projections based upon realistic life expectancy.



BUT I HAVE NO MONEY



- You can try and win the lotto.
- Most commonly we suggest to leave money AFTER you are gone.
- What assets might turn into cash?
- Life Insurance can be tool but be cautious and make sure the agent/advisor understands your need.
- Having a family member with a disability does not make them qualified alone.

RETIREMENT MONEY AND IRAS



- Just because you can do something, doesn't mean that you should.
- Recent tax law changes apply to "stretch" IRAs for Disabled Beneficiaries.
- But they are subject to more restrictions, taxes and make planning complex.
- Note: We are talking about retirement accounts, not housing.





HOW YOU CAN BE LEGALLY PREPARED

SPECIAL NEEDS TRUSTS OVERVIEW

- Also known as Supplemental Needs Trusts
- Used to supplement, but not replace, public benefits
- Created or codified by changes to Medicaid law
- Highly dependent on state implementation of the law



ALWAYS USE SOMEONE ELSE'S MONEY

- 1st Party Trusts are More Restrictive, and with payback provisions
- 3rd Party Trusts, are much more flexible, without court oversight, and no payback provision.



COMMON MISTAKES AND TIPS



- DO NOT - Using the attorney who helped you buy your house.
- DO – Go through the pile of documents your attorney gave you.
- DO NOT – Leave documents for old accounts around.
- DO – Consolidate Accounts



GENERAL DOCUMENTS



- Wills
- Powers of Attorney
- Advance Directives
- Letter of Intent
- Living Wills

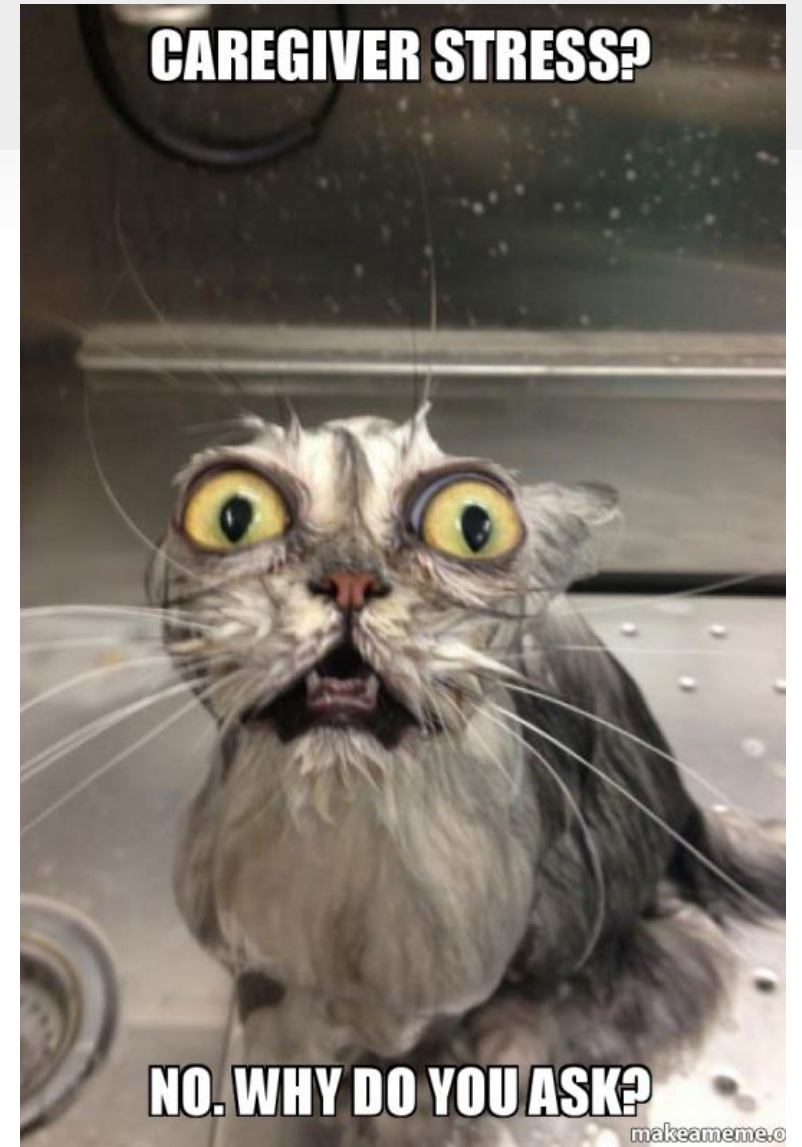




BUILDING THE RIGHT SUPPORT NETWORK

THE WHOLE PICTURE

- Care teams are an important part of any special needs individual's financial future
- Important to make sure that caregivers are planning for their own financial future
- Preparation by caregivers leads to financial independence for their dependents



WHO WILL BE THERE?

- How many hours a week do you spend caring for you loved one?
- Delegate as much as possible to professionals who take on administrative roles
- Don't burden siblings or other family members out of guilt, or obligation
- Plan now, not later.
- Don't just listen to recommendations from friends, even if they have a child who has a disability!



WILLS

Lots of People Have Them, And Most of Them Stink



WHO CAN MANAGE IF NOT FAMILY OR FRIENDS?

- Specialty trust companies exist that focus on special needs, many don't do special needs at all.
- They can help you organize everything in one place ahead of time.
- Many trust companies won't manage property or real estate.
- Do you think your loved one will be served better by a banker or social worker?



HOUSING IS COMPLICATED

- Its more complicated than you think
- State waiver systems may help with care, not the cost of housing
- The easiest solution is not always the best solution
- Who will manage the property and all that goes with it?



THE MOST IMPORTANT THING YOU CAN DO

- Think about your goals, where you want to go, how you are going to get there.
- You can't plan after you are gone.

