

Providing the best  
**quality of life**  
requires informed  
**decisions.**

The best way to provide compassionate care and a comfortable life to your child with special needs is to support your legal and financial decisions with reliable information and proven expertise. That's why America's finest disability attorneys have combined their talents to create the Special Needs Alliance®.

As attorneys in the field of disability and public benefits law, we help to enhance your child's quality of life. Every member of the alliance has the resources and legal expertise to help you maintain public benefits for your child and develop effective estate plans that protect your assets.

This brochure is provided as a service of Special Needs Alliance and is informational only. It is not intended to serve as legal advice or replace the advice of a legal professional.



*Special needs require special attorneys.*

Special Needs Alliance® members  
are available nationwide.

To contact a member in your area, call

**877-572-8472**

or visit us online at

[www.specialneedsalliance.org](http://www.specialneedsalliance.org)

# Estate Planning

*For Parents of Children  
With Disabilities*



Special Needs  
Alliance®

*Special needs require special attorneys.*



## Harry and Sally's son Bill has autism and is 21 years old.

Bill lives with his parents and the couple is concerned about his welfare after they die. Harry and Sally always thought Bill would live with his sister Joan; however, she now has three children and her husband prefers that Bill not live with them.

Bill receives Supplemental Security Income (SSI) and Medicaid, and he can have no more than \$2,000 in assets. Any income Bill receives will reduce his SSI benefit dollar-for-dollar. If Bill loses his SSI, he might lose his Medicaid, and he would not be eligible to live in a group home.

Harry and Sally own a home, have retirement plans, \$100,000 in investments and life insurance. As with all parents of children with disabilities, the critical question for Harry and Sally is, "What will happen to our child after we die?" From a legal and financial standpoint, Harry and Sally are anxious to protect Bill's future.

## Finding the right attorney

The first issue is finding an attorney who specializes in estate planning for persons with special needs. The Special Needs Alliance is an organization of leading elder- and disability-law attorneys located throughout the country, who specialize in planning for such individuals. Parents can find an attorney in their state, meet with the individual and learn about the importance of special needs planning, including preparing a special needs trust (SNT).

## The special needs trust

Special needs trusts are discretionary, spendthrift trusts created for the elderly or individuals with disabilities. They are intended to supplement, but not replace, any public benefits that the trust beneficiary receives, such as SSI, Medicaid, subsidized housing and other programs. The requirements and terms of the trust can vary substantially depending on the public benefits program and state. In some states, for instance, self-settled SNTs cannot be established for certain Medicaid program eligibility with the individual's own funds when the person is 65 or older.

The special needs trust can be used to supplement the government benefits by paying for items, services and equipment that Medicaid will not cover, such as the purchase of a home, special wheelchairs, handicap-accessible vans or mechanical beds. It will also pay for limited travel, a

personal attendant, and other recreational and cultural experiences. The trust can be specifically tailored to enrich the beneficiary's life.

## Funding the trust

Each family must decide how much money to put in the special needs trust. Often parents divide their estates equally among their children. This makes sense if all of the children are healthy; however, if one child has special needs, that child may need more or less than an equal share. The best way to make that determination is to have a life care plan designed for the child. In this plan, parents can define the lifestyle they want for their child, and the life care planner will estimate the cost of the child's care over his or her lifetime. Parents then are able to determine how much of their estate to place in the child's special needs trust. Life insurance is often used to fund the trust.

## Letter of intent

Finally, parents should consider preparing a letter of intent. The letter can be addressed to the trustee and guardian. Many families use this letter to tell the child's story and to write out the medical history and background; special education; treatments and therapies; daily care needs; favorite recreation and sports activities; vacations taken; and places the child wants to visit.

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