

Let's Talk about the Money

Financial Planning Strategies, Tips & Tools

Presented by

The Special Needs Financial Planning Team at Affinia Financial Group

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www.specialneedsplanning.com

Our Team & Our New Book!



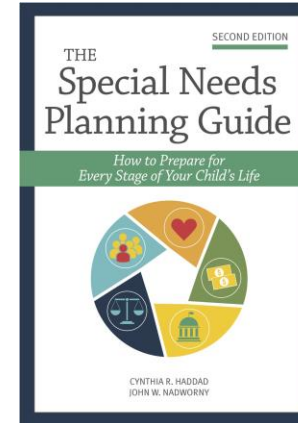
The Special Needs Financial
Planning Team
at Affinia Financial Group

L to R.

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SECOND EDITION! - coming soon!
The Special Needs Planning Guide
How to Prepare for Every Stage of your Child's
Life

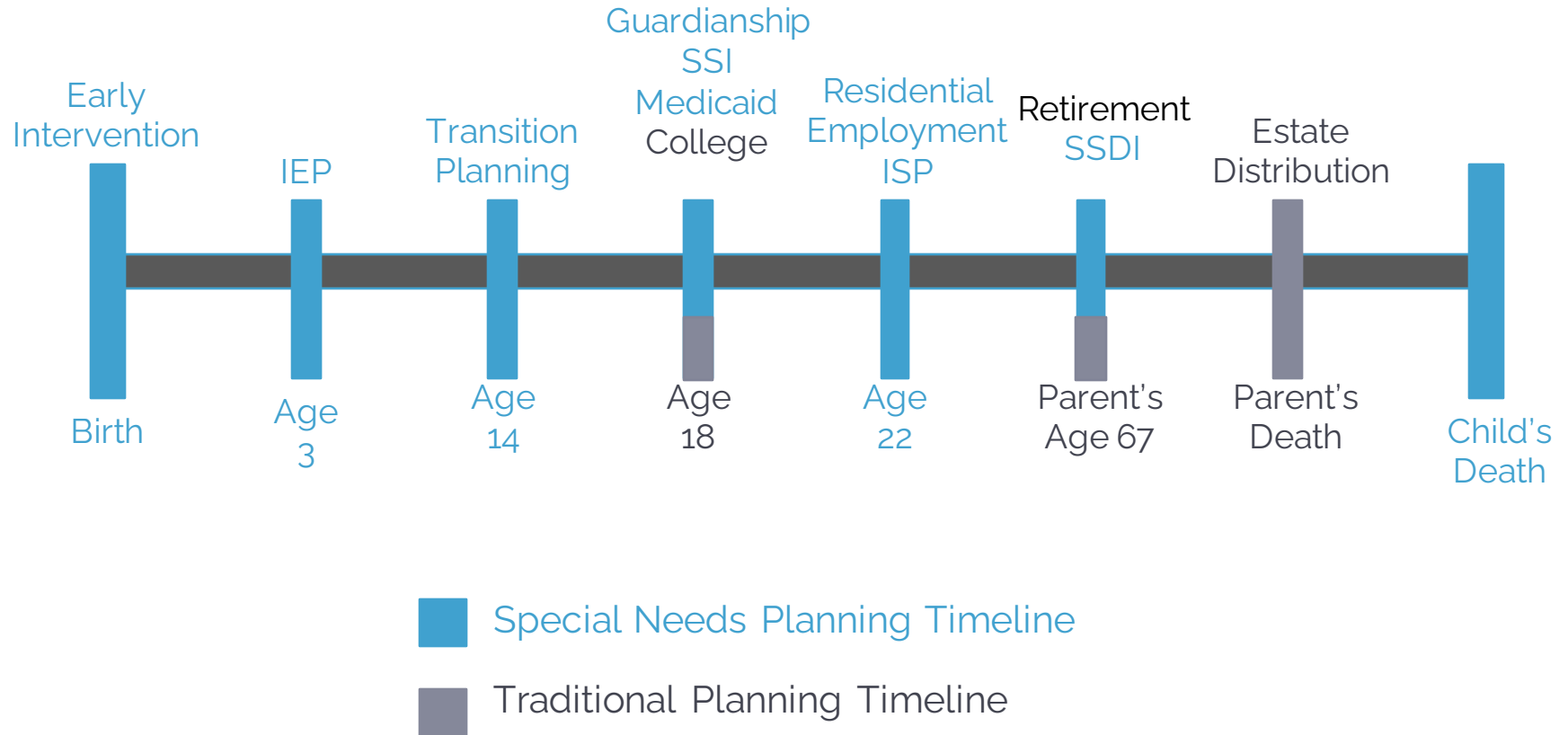
Authors: Cynthia Haddad & John Nadworny

Today's Agenda

- The Special Needs Planning Timeline™
- The Five Factors™ of Special Needs Planning
- A Framework for Financial Planning
- Government Benefit Basics
- Key Tools and Strategies
- Building a Team to Carry On
- Questions & Answers

The Special Needs Planning Timeline™

Planning for TWO Generations



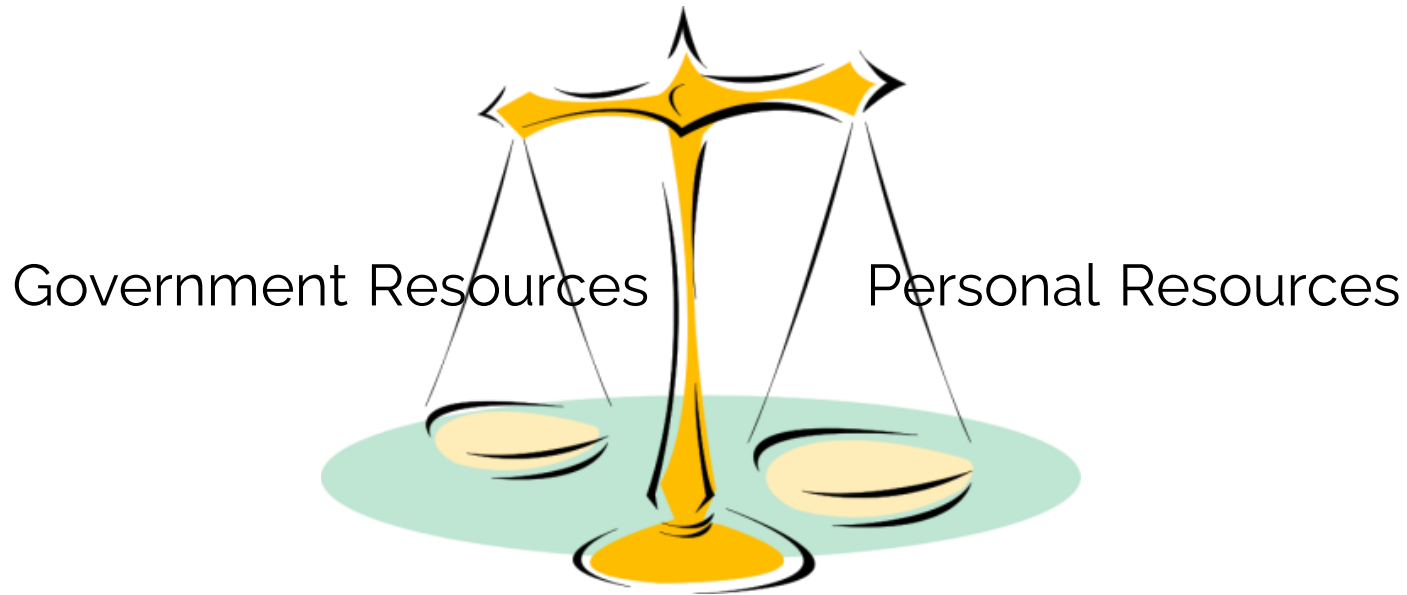
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The Five Factors of Special Needs Financial Planning™



Planning Resources

It's all about striking a balance.





A Framework for your Financial Planning

Where do you fit in the special needs financial planning framework?

Family Financial Position	Primary Source of Funds	Supplemental Source of Funds
Limited means	Government	
Modest Wealth	Government	Family
Significant Wealth	Family	Government
High Net Worth	Family	

Government Benefit Factors

✓ *How do I identify, maximize and protect my child's eligibility for government benefits?*





Understanding Government Benefits

Entitlement Programs

Funded by the
Federal
Government.

Non-Entitlements

Funded by State
Governments by
appropriation.



Federal Government Benefits - Entitlements

- ✓ *No more than \$2,000 in the child's name.*
- ✓ *Watch Guardianship and AFC.*

Entitlements: Needs Based	Entitlements: If Contributed
Supplemental Security Income (SSI)	Social Security (SSDI)
Medicaid/Mass Health	Medicare
Premium Reimbursement	Veterans Benefits
Adult family Care (AFC)	Federal and Military Benefits
Personal Care Assistance (PCA)	Civil Service Benefits

- ü *Identified in the 688 Transition Plan.*
- ü *Know the individual's prioritization.*

Non-Entitlement Programs

Housing subsidy- under Housing and Urban Development or HUD

Rental subsidy – under Section 8 housing- HUD

Flexible family supports

Residential supports

Transportation services

Adult day service programs

Supported employment services

Financial Factors



- ✓ *Will there be enough money?*
- ✓ *How much money will it take for **me** and **my child** to have a good life?*
- ✓ *Where will the money come from?*

10 Steps to Build Your Plan



Your Team to Carry On

Consult Professionals

Make Adjustments

Your Budget

Day Supports and Housing

Child's Needs

Child's Resources

Parent's Resources

Your Child's Goals

Parent's Goals

Financial Planning Tools

Financial planning tools for Special Needs Financial Planning include:

Savings accounts

Medical savings accounts

Retirement plan accounts and pensions

Insurance products

Investment options

Savings accounts

To set aside money for future needs of your children with and without disabilities.

Achieving a Better Life Experience Act (ABLE) accounts, also called 529A plans

College savings accounts, also called 529 plans

Custodial accounts defined by the Uniform Transfer to Minors Act (UTMA) or Uniform Gift to Minors Account (UGMA)

Accounts in Parents' names

ABLE (529A) Account Key Points

ABLE - Achieving a Better Life Experience

For Qualified Disability Expenses

Annual maximum contribution- \$15,000 - Gainfully employed individual may contribute more

Tax Exempt Savings

Watch the rules!

- Medicaid payback upon the death of the beneficiary
- Diagnosis prior to age 26
- SSI offset over \$100,000
- Qualified Disability Expenses

Tips & Strategies - ABLE and Housing

- Funds in an ABLE account may be used for housing, food, and support expenses, without incurring an offset of one-third in-kind supports and maintenance (ISM) from SSI.
- Money from a SNT can be used to fund an ABLE account. One of the key differences between distributions from an ABLE account and distributions from an SNT is that the ABLE account funds can be used for food and housing expenses, including rent, utilities, and a mortgage payment.

Tips & Strategies - 529 Plans



Tips & Strategies - Gifting

First, say **THANK YOU!!**

- The ABLE account provides parents (and grandparents!) with the opportunity to gift to their child with a disability in the same manner as they contribute to their typical child's 529 account.
- Gifts from grandparents can be used to pay for life insurance premiums...a larger gift upon death!

Medical savings accounts

To set aside money through employer benefit plans for certain medical, health care, and dental expenses not covered by insurance.

Flexible spending accounts (FSAs)

Health savings accounts (HSAs)

Tips & Strategies – Medical Savings Accounts

FSA:
Use it or Lose it!

HSA:
Tax- deferred
savings account

Retirement plan accounts and pensions

To build savings to provide for your income needs when you retire.

- Traditional individual retirement accounts (IRAs)
- Roth individual retirement accounts (Roth IRAs)
- Employer-sponsored retirement plans, also known as 401(k) or 403(b) plans
- Deferred compensation plans
- Employee incentive stock plans
- Pension plans
- Federal and state government employee plans
- Military survivor benefit pension plans

Tips & Strategies – Retirement Plans

Maximize

Maximize funding

Watch

Watch those beneficiary designations

Consider

Consider ROTH-IRA conversions for tax-free transfers

SECURE

SECURE Act provisions for SNTs

Insurance products, as risk management tools

To manage financial risks by purchasing insurance products for situations that are too costly to cover through your own savings, such as a serious illness or death.

- Health insurance
- Property insurance; homeowners, renters, and automobile insurance
- Liability insurance; umbrella, malpractice, E&O, business
- Disability insurance, including short-term disability (STD) and long-term disability (LTD)
- Long-term care insurance (LTCI)
- Life insurance, including both term and permanent life insurance
- Hybrid life and LTCI
- Annuities

Tips & Strategies – Insurance

Life Insurance

Term vs.
Permanent or
a combination?

Hybrid policy
with LTCI
riders/access

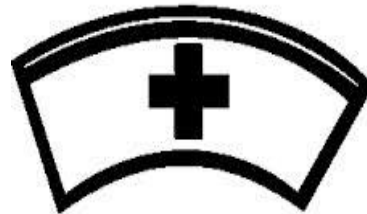


Questions?

Tips about Housing

Identify Costs

Get an assessment to determine costs of supports and services.



Examples of Supports

Relationships

- Social Calendar Management
- Maintaining current hobbies and introducing new interests

Personal Supports

- Nutrition
- Hygiene
- Health and Fitness
- Grocery Shopping
- Meal Preparation

Transportation

Medical

- Medical Decisions
- Medical Appointments
- Medications

Financial

- Budgeting
- Bill Paying
- Checkbook Balancing
- Government Benefit Management (Ex. Rep-Payee)

Residential Planning Needs

Physical Residence Options	Ongoing Residential Support Needs	Supplemental Needs	Ongoing Employment/Day Services
Apartment	Staffing ratio	Holidays/Vacations	Program type
House	Overnight awake	Personal Care	Transportation
Condominium in Large Home	Overnight asleep	Recreation	Weekday schedule
Apartment in Multi-family	One on one	Hobbies	Weekend Schedule
Addition to personal residence	Companion	Special food	Independence
\$\$*	\$\$\$ to \$\$\$\$*	\$*	\$\$\$ to \$\$\$\$*

*Relative cost of each category to the others shown (\$-\$\$\$\$)

Residential Funding Options

Physical Residence	Ongoing Support Needs	Supplemental Needs	Employment/Day Services
Mortgage vs. Rent Tax Planning	State funded e.g.-DDS, DMH	Family's Resources	Medicaid
Rental Subsidy Section 8	Federal funded e.g.- Medicaid/PCA's	Special Needs Trust	State Agency
SSI/SSDI	Family's Resources	Gifting	Family's Resources
Employment Earnings			
Public Agency			
Family's Resources			

The Housing Checklist

The image shows the cover of a document titled "THE HOUSING CHECKLIST". At the top left is the logo for "special needs financial planning", which includes a stylized blue and white graphic of a person's head and shoulders. Below the logo, it says "A Specialty Practice of Affinia Financial Group". The title "THE HOUSING CHECKLIST" is centered in a large, serif font. Below the title is a diagram consisting of five colored boxes connected by a circular line. The boxes are: an orange box with a heart icon labeled "Emotional", a green box with a dollar sign icon labeled "Financial", a yellow box with a classical building icon labeled "Government Benefits", a dark blue box with a scales of justice icon labeled "Legal", and a light blue box with a group of people icon labeled "Family & Support". At the bottom of the cover, there is a paragraph of text: "The Special Needs Financial Planning Team at Affinia Financial Group" followed by "John W. Nadworny, CFP® CTPA | Cynthia R. Haidt, CFP® | Alexandra Nachworny, CFP® CTPA" and "SpecialNeedsPlanning.com | Tel 781.365.8580 | Fax 781.365.8805". At the very bottom, in small print, it says "©2013 Special Needs Financial Planning, L.L.C. Reproduction in whole or in part is strictly prohibited without written permission."

special needs
financial planning
A Specialty Practice of Affinia Financial Group

THE HOUSING CHECKLIST

Emotional
Financial
Government Benefits
Legal
Family & Support

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Your Team to Carry On

No one can replace a parent,
but the team you build carries on.



Formal and Informal Roles

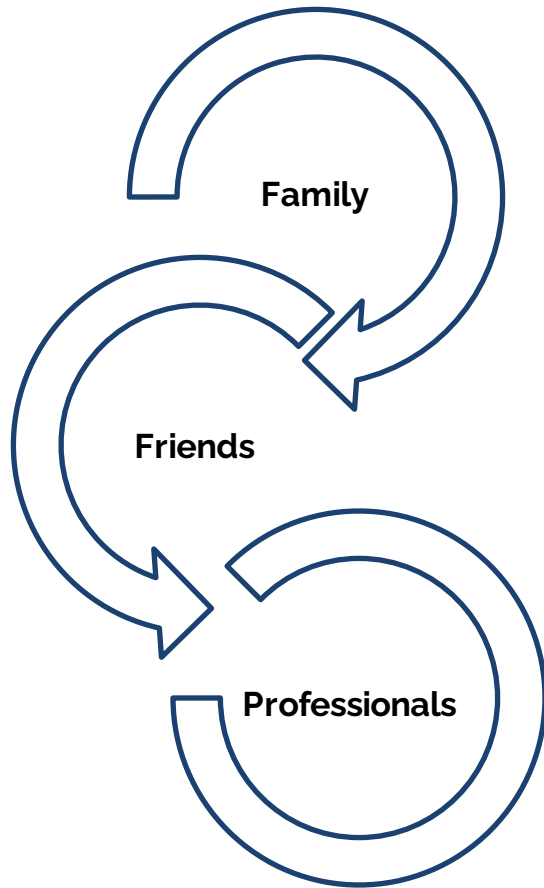
Formal roles

- Guardian/Alternatives
- Trustee
- Financial Professional

Informal roles

- Case/Care managers
- Agency
- Coaches
- Companion
- Social Worker

Who is on Your Team?



Your Questions

Resources on our website

Stay informed:

1. Sign up for our blog
2. Follow (+ Like!) us on Facebook

Download on SpecialNeedsPlanning.com

- ABLE Account
- Letter of Intent & Parents Guide to the LOI
- Special Needs Trusts FAQs
- Talking the Talk: Terms and Acronyms Frequently Used in the Disability Community
- The Five Factors Checklist
- The Housing Checklist
- Trustee Toolkit

We are here to help

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