Planning for a Family Member With Special Needs
What Does Planning Involve?

- Preserving the individual’s financial security and quality of life
- Understanding the Public Benefits the individual is receiving or is likely to receive
- Implementing a special needs trust to receive gifts and inheritance
Supplemental Security Income (SSI)

- Must Meet SSA’s definition of “disability” and have limited assets and income
- Provides monthly income for food and shelter
- Gateway to Medicaid
Social Security Disability Insurance (SSDI)

- SSDI for individuals with work record

- SSDI for individuals:
  - Experiencing disability before age 22 and
  - With parents, eligible based on work record, who are:
    - Retired;
    - Experiencing disability; or
    - Deceased.
Medical Assistance and Support

**Medicaid:**
- SSI recipients receive automatically
- Covers “medically necessary” services, equipment, and hospitalization
- In-home services needed to live at home:
  - Personal care
  - Housekeeping
  - Cooking
  - Transportation to doctors
  - Brokerage services

**Medicare**
- Medical coverage including doctors, hospital, and skilled care
Incorporate a 3rd Party Special Needs Trust into the Estate Plan

- Used for funds contributed by 3rd parties

- Assets held in a Special Needs Trust are not counted as a resource of the individual experiencing disability

- May be established by parents
  - Through Last Will & Testament
  - Through living trust

- Trustee has discretion over distributions
What if the Individual has Assets?

- Establish a 1st party Special Needs Trust
  - Sometimes referred to as “Payback Trust”
  - Individual must be under age 65
  - Maintains Eligibility for public benefits
  - Must be established by a parent, grandparent, legal guardian, or court
  - State must be reimbursed from the trust for all Medicaid expenses
  - Distributions only for Special Needs

- ABLE account
Achieving a Better Life Experience (ABLE)

- Individual must experience disability prior to the age of 26 and it must be a permanent condition.

- One ABLE account can be established per individual with a maximum annual aggregate contribution of $14,000.

- Up to $100,000 in the account is not considered an available resource for means tested benefits.

- Awaiting Oregon State specifications.
Costly Mistakes NOT to Make

- Do NOT disinherit the individual experiencing disability
- Do NOT ignore beneficiary designations on assets like life insurance and retirement plans
- Do NOT assume any trust can qualify as a special needs trust
- Do NOT fail to inform family members of the need to direct gifts/inheritances to special needs trust