

LIFE CARE PLANNING WORKSHOP

CREATING A HOLISTIC FINANCIAL & ESTATE PLAN
FOR FAMILIES WITH SPECIAL NEEDS LOVED ONES

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LIFE CARE PLANNING

The Life Care Planning Timeline helps families understand the numerous stages that may need to be considered while developing a comprehensive Life Care Plan.

STAGE ONE BIRTH TO AGE 5		STAGE TWO AGE 5 TO AGE 18		STAGE THREE AGE 18 TO PARENTS' RETIREMENT		STAGE FOUR REST OF LIFE	
DIAGNOSIS	INDIVIDUAL EDUCATIONAL PLAN (IEP)	TRANSITION PLANNING	COLLEGE FUNDING	SUPPORTIVE HOUSING	PARENTS' RETIREMENT	SUPPLEMENTAL SUPPORT NEEDS	REMAINDER BENEFICIARIES
EARLY INTERVENTION (EI)	WAIVERS	ABLE ACCOUNT	GUARDIANSHIP	VOCATIONAL REHABILITATION AND EMPLOYMENT	SSDI	SPECIAL NEEDS TRUST	CHARITABLE GIVING
INDIVIDUAL FAMILY SUPPORT PLAN (IFSP)	MEDICAID	DIPLOMA PLANNING	POWER OF ATTORNEY	COMMUNITY ENGAGEMENT	MEDICARE	ESTATE TRANSFER	
	CIIS		SSI				
	K-PLAN (OR)		MEDICAID				
	IFS (WA)						
BIRTH	AGE 5	AGE 15	AGE 18	AGE 22	PARENTS RETIRE	PARENTS' PASSING	END OF LIFE

LIFE CARE PLANNING PROCESS

- Vision and Goals
- Resources and Benefits
- Support System
- Letter of Intent
- Transition Planning
- Age of Majority Changes and Considerations
 - Guardianship & Alternatives
 - Government Benefits
 - Financial Planning
 - Employment
 - Housing
- Parents' Retirement
- Estate Planning Considerations



VISION FOR FUTURE

- What are your child's dreams and goals?
- Where and possibly with whom will your child live?
- What type/style of education will be appropriate?
- What type of/level of independence or care will be needed?
- Will a guardian/conservator be necessary?
- Who else will be involved in your child's life?
- What type of lifestyle is desired?
- What type of recreation activities or vacations might enhance your child's quality of life?
- What type of employment or vocational opportunities might your child enjoy?
- How will expenses be supplemented when parents are no longer here?



LETTER OF INTENT

- Details the child's current preferences and needs as well as future goals, expectations, and wishes both medical and personal
- Lists key people and routines in child's life
- It helps guide family members, trustees, caregivers, and others important member of the child's life
- Not a legal document, but may be considered by court



RESOURCES, BENEFITS & SUPPORTS

Support System-Creating a Team

- Family
- Case Workers
- IEP Team
- Special Needs Planner
- CPA
- Estate Planning Attorney

What Resources and Benefits are available?

- Now
- In the Future



COUNTY DEVELOPMENT DISABILITY (DD) SERVICES

County DD/DDA Services- Eligibility Based on Child's Assets and Income

- Child DD Services
- Case Management
- Access to Medicaid Waiver Programs (Eligibility Based on Child's Assets and Income)
 - ✓ Respite Care
 - ✓ Medicaid Health Insurance
- Adult DD Services/Brokerage
 - ✓ In Home and Community Attendant Care
- Employment Support



PUBLIC BENEFITS AT A GLANCE

Financial benefits available to individuals meeting the government definition of “disability”

Supplemental Security Income (SSI)

Is MEANS tested: Government Determines eligibility on disabled person’s monthly countable income and resources. Asset limit \$2,000 for individuals/\$3,000 for married couple.

Purpose of Benefit:

- To provide monthly income for food, shelter, and necessities.
- \$841 per month max (2022)

MEDICAID

- Any individual with SSI also qualifies for Medicaid
- Health Insurance funded at the State and Federal level
- Medicaid covers all “medically necessary” services, equipment, and hospitalization at no cost.
- Medicaid also covers in-home services required to remain in the home including personal care, housekeeping, cooking, and transportation to medical appointments.

SOCIAL SECURITY DISABILITY INSURANCE (SSDI)

Is NOT means tested: Eligibility is subject to work credits or parent's eligibility.

➤ **TO QUALIFY – Adult** individual must become disabled while working or have a work history

OR

- If an individual is disabled prior to age 22 and is receiving SSI and has Medicaid, they can later receive SSDI from their parent's record and be permitted to keep their Medicaid. (**Disabled Adult Child, DAC**)

OR

- **Child** must have a parent or guardian who is eligible for social security based on their work record, and this parent is currently retired, disabled, or deceased.
- **Survivor Benefit:** Based on parent's or spouse's earnings record

MEDICARE

Following two years of SSDI eligibility, an individual also qualifies for Medicare.

Medicare is a federal health insurance program that provides medical coverage for doctor's visits, hospital stays, and skilled nursing care. There are often co-pays involved with Medicare.



SPECIAL NEEDS TRUSTS

- Special Needs Trust = Supplemental Needs Trust
- A means of enhancing an individual's quality of life beyond the basic care provided by government benefits
- Can be set-up to send a child to camp, take vacations, travel to visit relatives, buy sports equipment, or to pay for other therapeutic needs that do not fall under day-to-day living or "maintenance" expenses covered by SSI
- If properly drafted, proceeds in the will do not affect government benefits as funds are held by a trust



SPECIAL NEEDS TRUSTS

THIRD-PARTY TRUSTS

- Most often established by parents, grandparents, or other family members.
- Can be established through a will to be funded upon the passing of a parent, grandparent, etc.
- Can be established as a living trust, which determines that others can directly contribute assets or monies to the trust.
- NO Medicaid payback.

FIRST-PARTY TRUSTS

- Type of trust that is established if the disabled individual has assets in their name or receives assets through a settlement.
- Medicaid payback at the time of disabled person's passing.

HISTORY AND OVERVIEW OF ABLE ACCOUNTS

- ABLE Account, The Stephen Beck, Jr. Achieving a Better Life Experience Act
- Passed in December of 2014, the law enables the creation of special savings accounts modeled after Section 529(A) plans.
- Law allows individuals with disabilities and their families to contribute to these savings accounts.
- Creates a new option for some people with disabilities and their families to save for the future, while protecting eligibility for public benefits.



MECHANICS OF AN ABLE ACCOUNT

- Beneficiary must be disabled prior to age 26
- Contributions must be with after-tax dollars.
- Annual contribution max of \$16,000 (beginning in 2022)
 - Additional contributions up \$12,880 for employed beneficiaries in 2022
- Contributions for ABLE Accounts with beneficiaries under 21 are eligible for state tax credit for Oregon Income Tax purposes up to \$300.
 - **Consult with tax advisor for eligibility.
- Growth in the account accrues without income taxation.
- For SSI purposes, only the first \$100,000 in ABLE Account assets will be disregarded.
- May be subject to Medicaid payback at beneficiary passing
- State 529 limits apply



QUALIFIED DISABILITY EXPENSES

Expenses related to the individual's blindness or disability which are made for the benefit of the individual.

- Education
- Housing*
- Employment Training and Support
- Assistive Technology
- Personal Support Services
- Health, Prevention, and Wellness
- Financial Management and Administrative Services
- Legal Fees
- Expenses for Oversight and Management
- Funeral and Burial Expenses
- Any other expenses approved under future regulations

Any unpermitted distribution will cause the account to LOSE its exempt ABL Account status for Medicaid purposes and be subject to a 10% penalty for income tax purposes.

AGE OF MAJORITY

- What happens when students reach the age of majority (18 years old)?
 - *They become their own person.*
- Transition Planning
- VR/Employment
- Housing



GUARDIANSHIP // CONSERVATORSHIP // ALTERNATIVES

GUARDIAN – The person appointed by the court to handle the protected person’s medical and placement decisions is referred to as the “GUARDIAN”.

CONSERVATOR – The person appointed by the court to handle the protected person’s financial decisions is referred to as the “CONSERVATOR”.

SPECIFIC POWERS OF ATTORNEY – An individual gives someone else the power to make decisions for them.

- Durable Power of Attorney
- Health Care Representative

HIPAA RELEASE – Authorization for use or disclosure of protected health information as required by the Health Insurance Portability and Accountability Act of 1996.

ROLE OF TRUSTEE –Trustee is required to manage the assets according to the desires of the individual “grantor”, “trustor”, or “settlor” as expressed in the trust document.

REPRESENTATIVE PAYEE – Person authorized by the Social Security Office to receive and manage federal funds for an individual who is unable to manage their own funds.

ESTATE PLANNING CONSIDERATIONS

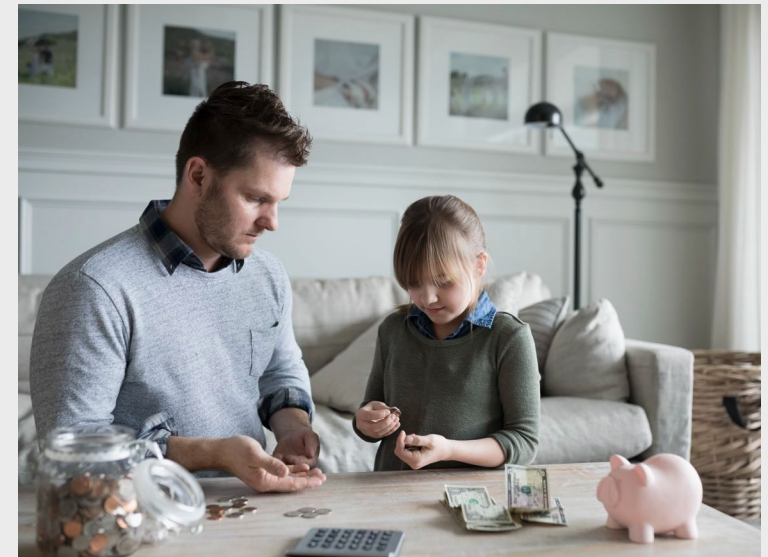
- Is a Special Needs Trust necessary?
 - Are they or will they receive needs-based benefits in the future?
- What kind of SNT should be drafted?
 - Living
 - Testamentary
- Coordination of SNT with ABLE Accounts
- How much money will my child need when I am no longer here?
 - Analysis of Income (SSI, SSDI, Earned, Unearned) vs. Future Living Expenses = What amount is needed in SNT?
- What assets are best to fund/leave to a SNT?
 - Taxation
 - Complexity for Trustee

ESTATE PLANNING CONSIDERATIONS

- How does the Secure Act effect Retirement & Estate Planning?
 - Inherited IRA's
 - Stretch Provision for Disabled Individuals
 - 10-year Distribution Period for Non-Disabled Individuals
- Considerations for Non-Disabled Children
 - Taxes on Inherited IRA for high income earning children
- Should you allocate specific assets vs. percent of estate
- Gifting to Stand Alone SNT

KEY TAKEAWAYS

- It's never too late to start a Life Care Plan for your family.
- Complete the Letter of Intent.
- Transition Planning should start early.
- Position the child now for eligibility of needs-based benefits at age 18.
- Coordinate all available resources to reach the family's goals and vision for their child.
- Be mindful of Medicaid eligibility
- Don't avoid Estate Planning considerations.



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