Planning for Their Future

Paul Brokenshire, President/CEO
Robert “Bob” Johnston, Founder and Consultant
A Word About Our Founder: Bob Johnston
About Our Current President: Paul Brokenshire
SNP Today
• The basics
• Understanding government benefits
• Difference in estate planning (General vs. Special needs)
• What is important to you
• How to communicate your goals (Letter of Intent)
• Funding the trust
• Starting the planning process
• Standard provisions in your will (bequest, life insurance or qualified plan beneficiary) may jeopardize eligibility for government benefits.

• Assets in excess of statutory limits impact:
  • Entitlement benefits under Medicaid
  • Financial support under Supplemental Securities Income (SSI)
THE BASICS

Let’s begin with the end in mind.

Struggle between “Need” and “Affordability.”

Quality of Life

Lifetime of Care
Medicaid provides health benefits.

Supplemental Security Income (SSI) provides a small monthly income to be used exclusively for basic survival (i.e., food and shelter).

Medicaid maximums vary by state.
ESTATE PLANNING

Special needs estate planning
- Financially
- Legally

General estate planning
- Financially
- Legally
LEGAL CONCERNS

- Wills
- Guardianships
  - Guardian Ad Litem
- Trusts
  - Revocable
  - Irrevocable
The Special Needs Trust
• Should be Irrevocable
• Supplementary
• Beneficiary vs. Owner
THE SPECIAL NEEDS TRUST

- Is specific without being restrictive
- Helps you to be prepared for a future you can’t control:
  - Divorce
  - Assets levels
  - Fiduciary name and characteristics
  - If beneficiary dies
The Financial Side:

- Real estate
- Investments
- Retirement funds
- ABLE Account
- Life insurance
ABLE Act of 2014

- 529A Plan (Mirrors 529 Education Plan)
- Account cannot receive more than $17,000 per year
- State Account Limit: $330,000
- Principal up to $100,000 will not disqualify beneficiary for SSI/Medicaid
- Your choice of state plans
- ABLE National Resource Center [www.ablenrc.org](http://www.ablenrc.org)
- Medicaid payback from date of origination

ABLE To Work

Employed account owners can deposit Gross Income for that taxable year OR $12,880...whichever is LESS Hawaii: $14,820 Alaska: $16,090
The ABLE Account

ABLE to Work

Employed account owners can deposit Gross Income for that taxable year OR $12,880...whichever is LESS
Hawaii: $14,820 Alaska: $16,090
WHY PRIMARILY LIFE INSURANCE?

Life Insurance Fulfills:
- Transfer Wealth
- Net Worth remains Affordable
- Income replacement
- Meet the financial needs

The Special Needs Trust
- Irrevocable
- Supplementary
- Beneficiary vs. Owner

Fulfills:
- Wealth Transfer
- Net Worth remains Affordable
- Income replacement
- Meet the financial needs
One option: Survivorship Life Insurance

- Equalizing inheritance
- Wealth transfer solution for retirement accounts
- Underwriting advantages for uninsurable
- Buy-sell planning
- Estate tax relief
- Charitable giving
HOW MUCH LIFE INSURANCE DO YOU NEED?

- Final expenses and cash needs
- Long-term financial obligations
- Living expenses
- Current financial resource

Everyone defines “need” differently
COMMUNICATING YOUR PRINCIPLES

Making certain your values are communicated to the next caregiver.
Beneficial relationships are grounded in good communication.

Communicate these concepts to family members so that they don’t accidentally jeopardize eligibility.

Name the trust, not the child, as the beneficiary.
• Think of it as the "Owner’s Manual" for the beneficiary
• How to communicate your goals
  • Diagnosis
  • Medical and nutritional needs
  • Marriage
  • Religion
  • Housing
  • Important names and addresses
It protects your assets against the cost of long-term care.

It can cover the cost of assistance due to injury and aging.

Your beneficiaries are more secure because you are more secure.
HOW DO I GET STARTED?

With special needs professionals

Estate planning attorneys

Financial advisors
Work with special needs planning specialists:

- Legal special needs estate planners
- Financial professionals that specialize in special needs estate planning
START WITH WHAT IS IMPORTANT TO YOU

• You are the expert!
• Always remember:
  • Quality of life
  • Lifetime of care
HOW CAN WE HELP YOU?

- Financial specialty
- Introduction to Special Needs organizations and resources
- Access to a trusted network of qualified subject matter experts
THANK YOU

Paul Brokenshire, ChSNC
President/CEO and Financial Planner
paul@meridianwr.com
414-615-4880
www.snp-llc.com

Securities and investment advisory services offered through qualified registered representatives of MML Investors Services, LLC, Member SIPC. 10401 W. Innovation Dr., Ste. 125, Wauwatosa, WI 53226. 414-615-4850. CRN202604-4162012