



# Special Needs Planning<sup>LLC</sup>

Planning for Their Future

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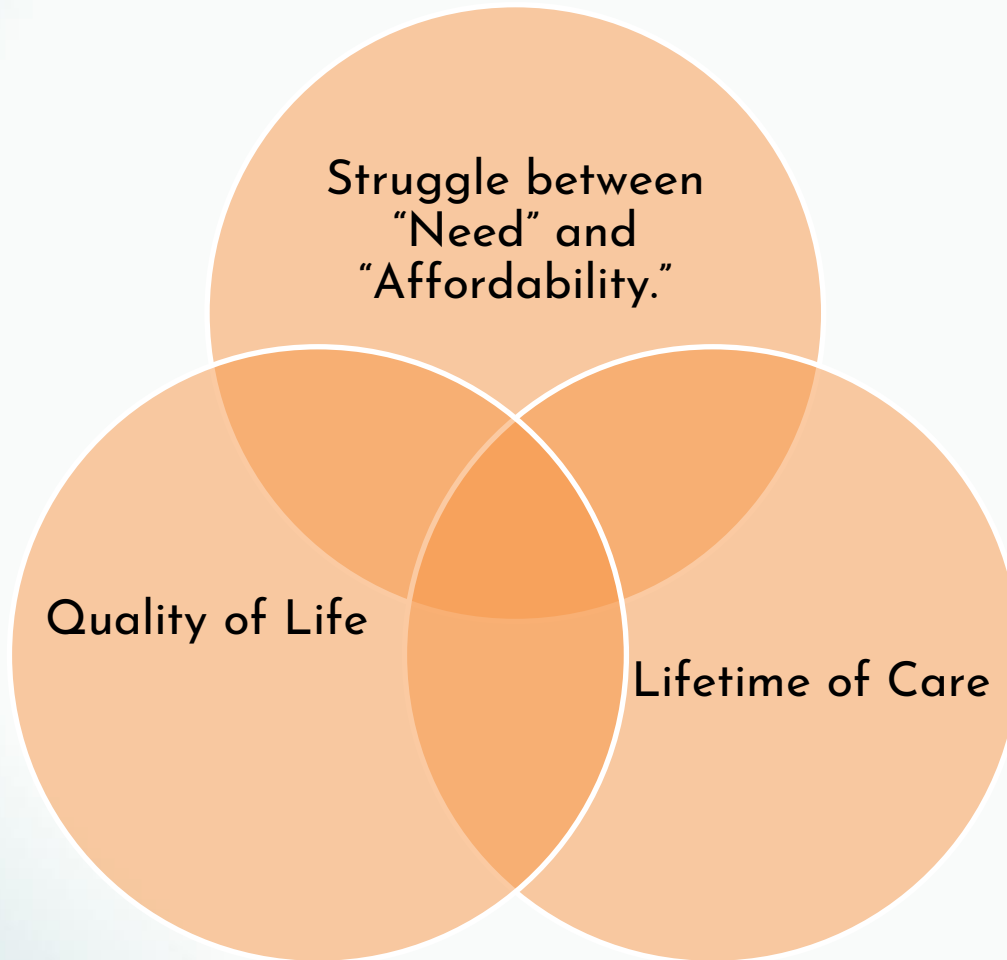
# TODAY'S AGENDA

- 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

# THE BASICS

- 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.

# UNDERSTANDING GOVERNMENT BENEFITS

Medicaid provides health benefits.

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

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Medicaid maximums vary by state.

# ESTATE PLANNING

Special needs  
estate planning

Financially

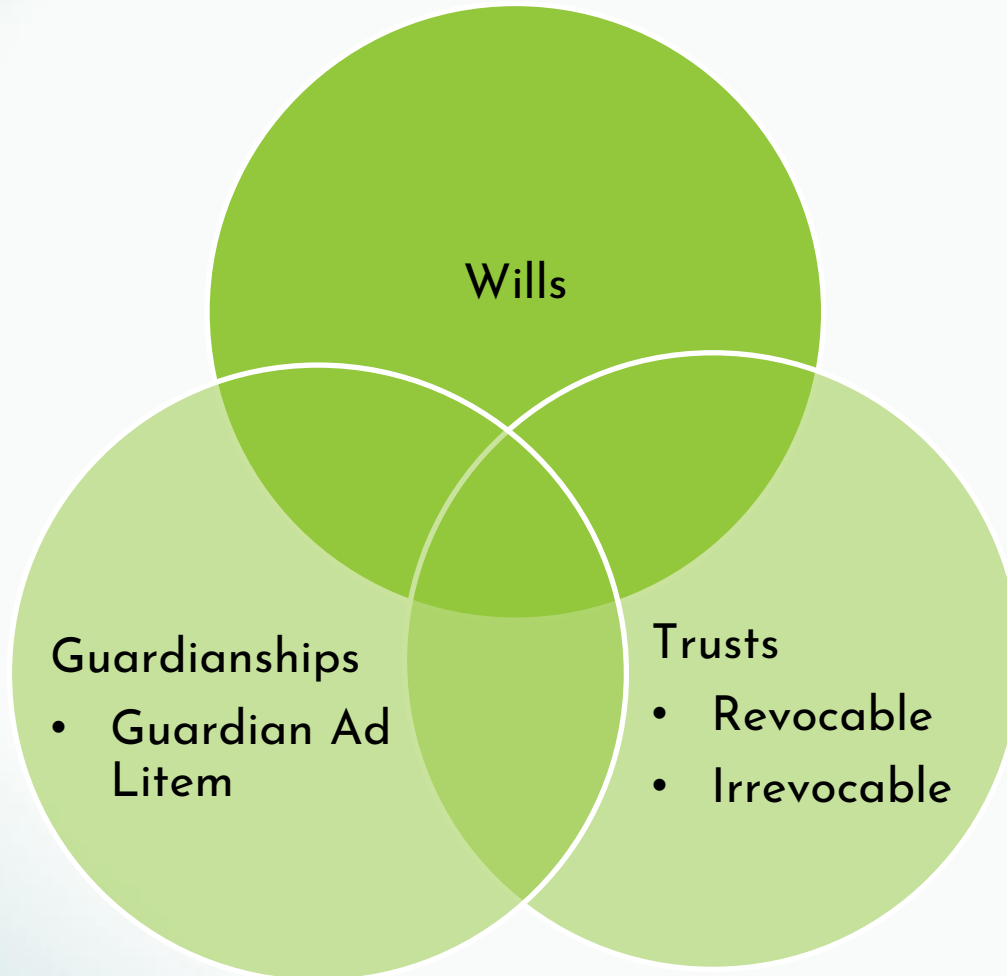
Legally

General  
estate planning

Financially

Legally

# LEGAL CONCERNS



# THE ANSWER IS...

## 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

# FUNDING YOUR SPECIAL NEEDS TRUST

## The Financial Side:

- Real estate
- Investments
- Retirement funds
- ABLE Account
- Life insurance



# FUNDING YOUR SPECIAL NEEDS TRUST

## 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

# WHY LIFE INSURANCE?

Life Insurance  
Fulfills:

Transfer  
Wealth

Net Worth  
remains

Affordable

Income  
replacement

Meet the  
financial  
needs

# FUNDING YOUR SPECIAL NEEDS TRUST

## 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

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Long-term financial obligations

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Living expenses

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Current financial resource

Everyone defines “need” differently

# COMMUNICATING YOUR PRINCIPLES



# COMMUNICATION IS THE KEY

- 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.



# LETTER OF INTENT

- 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

# HOW LONG-TERM CARE CAN HELP

It protects your assets against the cost of long-term care.

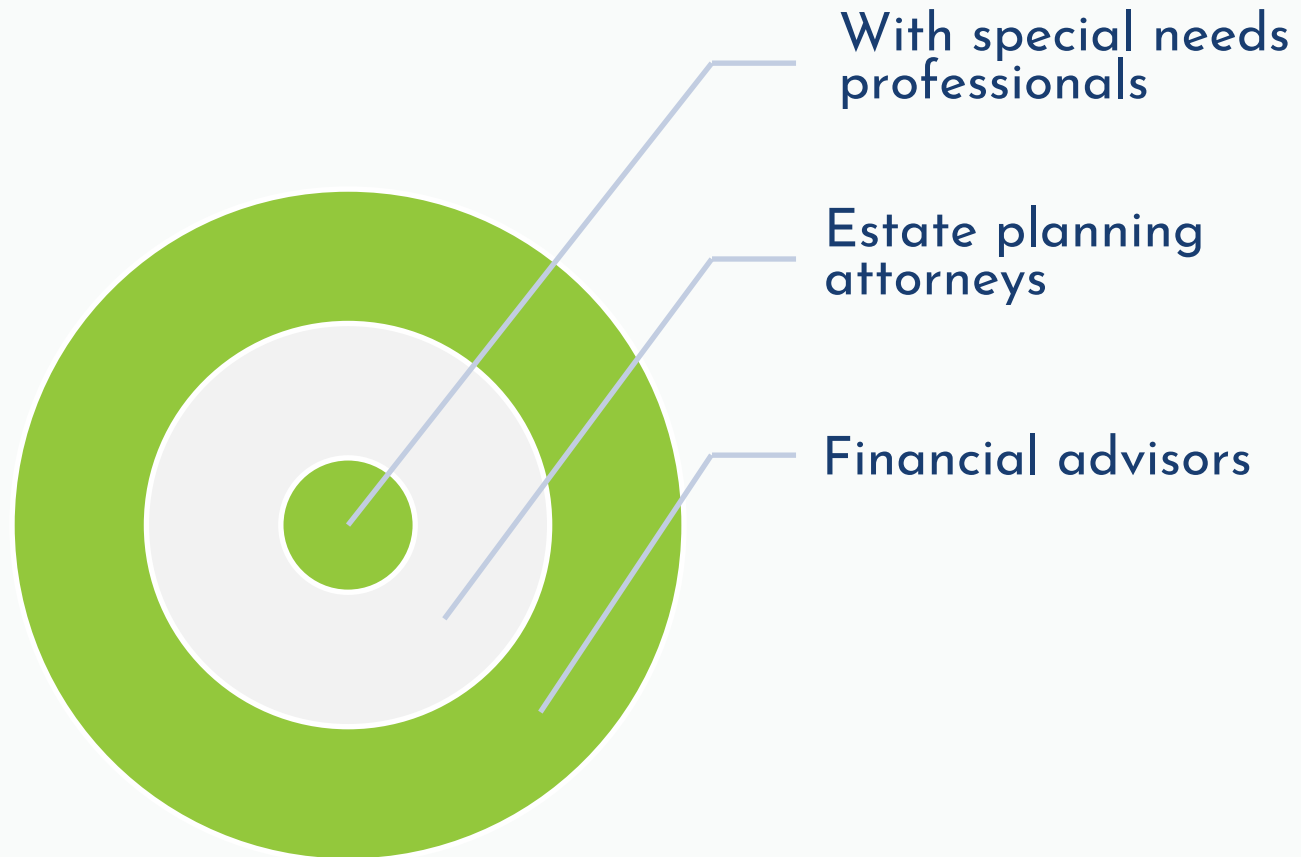
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It can cover the cost of assistance due to injury and aging.

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Your beneficiaries are more secure  
because you are more secure.

# HOW DO I GET STARTED?



# STARTING THE PLANNING PROCESS

- 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 I HELP YOU?



# THANK YOU

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