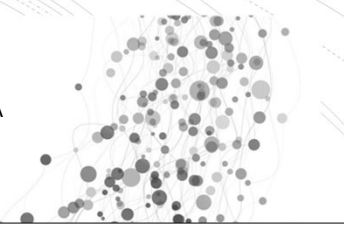




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Best Practices in Special Needs Planning




1



▷ Ava

- John and Kate Rivera, both 68 years old with two grown children.
- Rob, 40 years old, a successful surgeon in California, married with 2 children.
- Ava, 38, has suffered from mental illness since her teens and is unable to hold a job. She lives at home with John and Kate. Ava receives Medicaid and services through the state's mental health program. She also recently became eligible for a SSDI benefit through her father and receives \$1,800/month.
- John and Kate recently retired and are concerned about their expenses in retirement they need to continue working to provide for Ava. Their primary concern is providing for Ava for her lifetime.
- John and Kate's assets consist of a primary home valued at \$1MM, retirement accounts valued at \$2MM and other investments valued at \$500k.
- They come to you to establish their estate and special needs plan.


2



▷ Ben

- Ben is 17 years old and is diagnosed with moderate developmental disabilities. Ben's parents are divorced, and mom is the custodial parent. Mom wants to apply for guardianship and public benefits for Ben. Ben has \$35,000 in a 529 account. Dad pays \$1,500 per month in child support that will continue until Ben is 21 years old. While dad wants to protect Ben, he is not comfortable with the possible restrictions of guardianship.
- Mom retains you to assist with guardianship and public benefits.
- How does your advice change, if at all, if you represent dad?


3



Chris

- Chris is 12 years old and has significant disabilities resulting from birth trauma for which he received a \$5MM net recovery. It is expected Chris will require 24/7 care for his entire life. Personal injury attorney promised family they could purchase a house, van, and have a trip to Disney World each year and a stipend for mom.
- What can the Trust pay for and for whom?
- How does your advice change if Chris is 22 years old?


4



Dani

- Dani is 25 years old. She has intellectual disabilities and is not able to live on her own. Dani lives under the care of her parents in their family home. She receives SSI and Medicaid and is the beneficiary of a first party trust funded with an inheritance from her grandmother.
- Dani's parents have temporarily fallen behind on household bills – they are behind on rent and are facing impending utility shutoff. Dani's mother, her guardian, requests a disbursement from the trust to cover the rent and past due utility bills.
- Should the trust pay these bills? What is the impact on Dani's benefits? Is there a work-around? Does the decision-making change if it is a third-party trust?

5



Eric

- Grandma Fern is legal guardian for her grandson Eric and has cared for him since he was a baby. Grandma Fern never legally adopted Eric but cared for him as if he was her own child. Eric is diagnosed with autism and receives SSI and Medicaid. The family comes to you as Grandma Fern recently suffered a stroke and is in nursing home and not expected to come home. She owns a house, where she lived with Eric and has life savings of \$200,000. As Fern's nursing home costs are expected to be quite substantial, the family wishes to protect Fern's assets for Eric, as intended in Fern's Will.
- What recommendations do you have?
- Would your recommendations change if Grandma engaged you several years ago for elder law planning?

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Thank you!

