

SPECIAL NEEDS PLANNING

Key Steps to Transition Success



Consolidated
Planning Group

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The Misty Carol Project

You are loved
and appreciated





Our Story

Misty was born July 2, 1973, and after several surgery attempts, passed away on July 16, 1976.

Her **legacy** lives on through this organization.



The Misty Carol Project
YOU ARE LOVED AND APPRECIATED



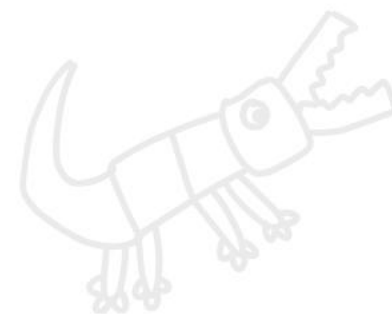
What We Do

The Misty Carol Project specializes in **helping to educate and connect families with the resources** they need to protect and care for their loved ones.



The Misty Carol Project

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Get the latest information regarding our organization, programs, and events.



info@themistycarolproject.org



www.themistycarolproject.org



The Misty Carol Project



IG: [@themistycarolproject](https://www.instagram.com/themistycarolproject)





WHO WE ARE



Consolidated
Planning Group

Consolidated Planning Group, Inc. is a holistic Special Needs Financial Planning Firm in Sugar Land, TX serving families across the U.S.

30 years experience with Insurance & Financial Services. MDRT- Top of the Table. Fully licensed Insurance & Securities.

Members of the Special Needs Planning Academy, Chartered Special Needs Consultants, and Nationally certified as Social Security Advisors.

SPECIAL NEEDS PLANNING

- ✓ **Protection Plans**
- ✓ **Lifetime Care**
- ✓ **Transition Planning**
- ✓ **ABLE Accounts**
- ✓ **Advocacy**

Fewer than one-tenth of a percent of all financial advisors in the U.S. focus on Special Needs Planning.




How do I get started?

- ✓ **Develop a Letter of Intent**
- ✓ **Work with a special needs planner to help you formulate a plan.**
- ✓ **Work with an estate planning attorney who is well versed on Special Needs matters.**
- ✓ **Gather all necessary planning documents**
- ✓ **Think about your vision of how you hope things will look for both you and your loved one.**





What is a letter of Intent?



The important part of planning for the future of your child with special needs is a “Letter of Intent.”

This is a document that actually ensures your trustee or guardian knows your child’s functional abilities, routines, interests, and particular likes and dislikes.

- Family Information
 - Medical History and Care
 - Government Benefits
 - Living Arrangements and Accommodations
 - Educational History
 - Employment History
 - Personality and Habits
 - Recreation and Fitness
 - Spirituality and Values
 - Legal Guardians
 - Special Needs Trust
 - Power of Attorney - Finances
 - Power of Attorney - Medical
 - Location of Important Information (Insurance Policy, Bank Accounts, etc.)
 - Contacts (Attorney Accountant, Special Needs Financial Advisor, Insurance, Bank)
 - Final Arrangements
- 

How will my child's care be funded?

- ✓ **Preserve eligibility for State and Federally funded programs. SSI is under Title 16, SSDI is under Title II.**
- ✓ **Establish a Special Needs Trust for their future care.**
- ✓ **Current life insurance and assets can provide funding for the Special Needs Trust.**
- ✓ **Establish an ABLE Account**



What you need to know about applying for SSI

Apply for SSI the month of your child's 18th birthday. Appointments should be scheduled a few months in advance for after they turn 18. Apply through your local office, by phone, or online.

Apply for SSI online: <https://www.ssa.gov/ssi/start.html>

This will save the date of the application and if approved benefits will be backdated to date.

Have evidence that demonstrates that the child's disability began before age 22 to qualify for Childhood Disability Benefits (CDB) formerly called Disabled Adult Child (DAC) on one of the parent's records.

Gather medical history- physician's name, address, phone number, diagnosis history, medications, employer info if any, earnings, and the last 3 months of Bank statements.

Consider chatting with PCP first and reviewing their records.




What should you expect after you apply?

- ❑ A decision typically takes up to one year. (sometimes longer)
- ❑ After your local office has finalized your application, it is sent to DDS-Disability Determination Services.
- ❑ They request and review your loved one's medical records looking for evidence of a disability.
- ❑ **DDS Can Be Reached at 1-800-252-7009 (TX)** You can check that they have received the file, find out who it's been assigned to and find out which medical records have been received and which ones are outstanding.



SSA Benefits- Drawing from a parent's record, SSDI



- When a parent applies to receive their own social security benefits through retirement or disability, the disabled adult child is entitled to received $\frac{1}{2}$ of the parent's benefit. This benefit also applies to minor children that are not disabled. This benefit was formerly referred to as Disabled Adult Child (DAC) is now referred to as Childhood Disability Benefits or (CDB).
 - 24 months after receiving Title II benefits, the child eligible for disability benefits under a parent's record will be eligible for Medicare. (Once over Age 18)
 - When a parent passes away the disabled adult child is entitled to 75% of the deceased parent's social security. (The benefit amount is based on the parents Full Retirement Age (FRA) benefit.
 - Be aware of family maximums if a non-working spouse is also drawing from their spousal record or if there is more than one child in the household with a disability.
- 

How to protect your child's benefits

- ✓ Ensure that you have your assets and your child's assets in the appropriate buckets.
- ✓ Ensure your special needs family member's name is not set up as a beneficiary on any life insurance, investment or bank accounts.
- ✓ Ensure well-meaning family members do not leave assets to the named individual, as opposed to a 3rd Party Special Needs Trust for the benefit of the Special Needs family member.





Is your money in the right buckets?

Establish a Special Needs Trust for their future care

Current life insurance and assets can provide funding for the special needs trust





Transition Planning

When do I need a Special Needs Trust and Guardianship?

- A SNT will preserve future benefit eligibility while providing resources for your special needs child.
- The Guardianship process can begin 6 months prior to the child turning 18 years old.
- Work with a qualified Attorney to prepare these documents.

ABLE Accounts



Beneficiary is account owner



Income earned in account is not taxable



Contributions are not deductible (although some states may offer state income tax deductions)



Does not jeopardize SSI, Medicaid or other public benefits



Special contribution and distribution limits

ABLE Accounts

Items that you CAN pay for from your ABLE account-

- Housing – Rent, Mortgage payments
- Financial Management and Administrative Services
- Transportation- such as Car, Public Transportation Fares, Taxis, Uber
- Education & Training- such as Employment Supports like Job Coach, Classes to Learn New Skills
- Assistive Technology- Mobile Devices
- Personal Support Services
- Legal Expenses



An ABLE account CAN pay for food and shelter without a 1/3 reduction in SSI.




ABLE Accounts



If it can be construed as achieving a better life for an individual with a disability, you can pay for it out of an ABLE account.

PARTICIPANTS	Disabled individuals whose disability started before age 26.
CONTRIBUTIONS	May be made by anyone. Limited to gift tax annual exclusion (currently \$19,000) in total annually. Funds held in an ABLE account in excess of \$100,000 disqualify the beneficiary for SSI benefits. (However, ABLE account owners who work may contribute up to an additional \$15,560 (in 2025) of their gross income into their ABLE account if they do not have an employer sponsored retirement plan.)
DISTRIBUTIONS	Distributions for “qualified disability expenses” are not taxable. Earnings on distributions for non-qualified expenses are subject to ordinary income taxes and a 10% penalty.
GROWTH	Tax-free growth in investments that can be changed by the participant twice a year.
ROLLOVERS	May be rolled over to other family members who are eligible beneficiaries.
AT DEATH	States may be able to claim reimbursement for expenses paid by Medicaid. Any additional funds can be distributed to designated beneficiaries or rolled over to eligible family members.



Items the Special Needs Trust CAN pay for-

- Telephone
- Cable or Satellite TV
- Premiums for Personal Property Insurance
- Paper Products
- Laundry and Cleaning supplies
- Staff Salaries
- Capital Improvements to the Home
- Repairs to the Home
- Out of Pocket medical, dental and eye expenses
- Eyeglasses
- Exercise Equipment
- Annual Independent Checkups
- Transportation
- Motor Vehicle
- Vehicle Maintenance
- Vehicle Insurance Premiums and Registration
- Life Insurance Premiums (See Medicaid Rules)
- Physical Rehabilitation services
- Vehicle Fuel
- Materials for Hobbies
- Tickets for recreational or Cultural Events
- Music Instruments
- Cosmetics
- Membership in book, health, record, video, or other clubs
- Clothing
- Prescriptions
- Home Improvements
- Computer or electronic equipment
- Cable TV
- Trips and Vacations (no Food)
- Visits to Friends
- Entertainment
- Home Furnishings
- Newspaper and Magazines Subscriptions
- Athletic Training or Competitions
- Personal Care Attendant or escort
- Vocational Rehabilitation or Habilitation
- Professional Services
- Tuition and Expenses connect with Education
- Costs of attending or participation in meetings, conferences, seminars or training sessions
- Cigarettes
- Buying a House or Real Property (Based on Trustee's discretion)



DO NOT use your special needs trust for these:

- ☐ Rent
- ☐ Mortgage payments
- ☐ Real Estate Taxes
- ☐ Gas
- ☐ Electricity
- ☐ Water
- ☐ Sewage
- ☐ Homeowner's Insurance Required by Lender
- ☐ Condo charges that include the above items
- ☐ CASH
- ☐ FOOD

Using your trust for these items
can cause a 1/3 reduction to
your SSI benefits!





Special Needs Planning

Who will care for your child when you no longer can?

- ✓ Developing a future care plan now will answer these questions
- ✓ Consider educational and vocational options.
- ✓ Consider touring transition programs, partial-care and full-care residential communities. Waiting lists can be quite long, so plan early!
- ✓ Make careful consideration before naming siblings as a future caregiver.

Texas Medicaid Waivers

Get on the waiting lists ASAP!

MDCP, CLASS, and DBMD:

Call: 1-877-438-5658

HCS, TxHmL, and CFC:

Contact your local intellectual and developmental disability authority (LIDDA)

Star Plus:

Call: 1-877-782-6440

To find out who your local authority is go to:
<https://apps.hhs.texas.gov/contact/search.cfm>



Medicaid Waiver Programs

Community Living Assistance and Support Services (CLASS): gives home and community-based supports to children and adults with related conditions. There are over 200 related conditions, like cerebral palsy and spina bifida. The related condition must have occurred before the child was age 22.

Deaf Blind with Multiple Disabilities (DBMD): gives services for children and adults who are deaf-blind or have a related condition that leads to deaf-blindness, and who have another disability.

Home and Community-based Services (HCS): gives services and supports to children and adults with an intellectual disability (ID) or a related condition who live with their families, in their own homes, or in small group homes with no more than 4 people.

Medically Dependent Children Program (MDCP): gives services to children and adults who are 20 and younger who are medically fragile as an alternative to receiving services in a nursing facility.

STAR+PLUS Home and Community-based Services (HCBS): gives services to adults over the age of 21 to keep them in their community and not in a nursing home facility.

Texas Home Living (TxHmL): gives services to children and adults with an intellectual disability (ID) or a related condition who live in their own home or their family's home.

Youth Empowerment Services (YES): a 1915(c) Medicaid program that gives home and community-based services to children under the age of 19 with serious mental, emotional and behavioral difficulties.

Community First Choice (CFC): Allows states to provide home and community-based attendant services and supports to Medicaid recipients with disabilities. Help with activities of daily living and health-related tasks through hands-on assistance, supervision or cueing. Services to help the individual learn how to care for themselves. Services offered through an MCO-Managed Care Organization. (This is an entitlement-the list isn't very long typically a year or less)

Things to keep on your radar...

- How to develop a comprehensive Special Needs Care Plan
- Future Care Cost Estimates
- Texas Waivers- Interest Lists
- SSI & SSDI- Understanding the differences and knowing when to apply
- ABLE Accounts
- Beneficiary Designations
- Special Needs Trusts- How to fund them (Note: Child Support post 18 redirected to a First Party SNT)
- Start touring Residential Living Communities- waiting lists can be long
- Consider Guardianship, Alternatives to Guardianship, POA, HCPOA and Supported Decision-Making Agreement (Guardianship process can begin 6 months before turning 18)
- Post High School Education Options





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upcoming webinars

Upcoming
Webinars

Meet the Team at Consolidated Planning Group



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Top of the Table
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Schedule your free consultation

1. Open the camera app on your phone
2. Hover over QR code
3. Click link!

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