



Special Report: Planning Care for Disabled People

What Effect Would Your Death or Disability Have Upon Your Disabled Loved One?

Are you a person who cares for a disabled person such as a child, spouse, or parent? Or are you a person who loves a disabled person and would like to set aside some of your assets to be used in behalf of that person? If so, you must read this Special Report carefully, and then plan to ensure that your loved one will continue to receive everything they need, if you become unable to provide it. The unfortunate truth is you do not know if you will outlive your disabled loved one. Therefore, you must ask yourself this question:

Have I done all I can so my loved one
will have a comfortable life when
I no longer provide care?

This is life planning for people with disabilities. Your first step is to make a plan. Among the concerns for which you must plan are:

- Lifetime Supervision
- Lifetime Care
- Residential Environment
- Social Life
- Employment
- Basic Living Expenses
- Money for lifestyle
- Medical Expenses
- Religious Environment
- Final Arrangements
- Avoid Family Fights

Because you will not be available, you must choose a person who will carry out your plan for your loved one. This person may be a patient advocate or guardian or conservator. But, where do you find such a person? Most people turn first to a relative, then to friends, and finally to professional trustees, charities or, finally, to the public fiduciary.

Next, set a realistic cost of your plan, and examine the resources to pay for it. Most plans require a combination of financial resources to provide adequate funds for the lifetime of your loved one. This combination includes family assistance, inheritance, investments, insurance, savings, charities and governmental help.

If a person receives benefits from a private charity or a government agency, you cannot directly leave any assets to that person. If you do, you might disqualify someone you love from receiving aid.

Most Common Plan. The loved one gives assets directly to a disabled person who then loses benefits and the government liens assets (such as a home) that is exempt during their life. Not a good plan.

Next Most Common Plan. The loved one gives assets to a relative to hold for a

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disabled person. This is dangerous, and affords no security for the disabled person. Why? The relative may die, become incapacitated, go bankrupt or face other creditor problems, or even lose the assets in a divorce. Don't make the problems of your relatives become the problems of your disabled loved one. Not a good plan.

The Better Plan. Anyone who has investigated estate planning knows one of the best plans to avoid probate and conservatorship, with their costs, delays, and other disadvantages, is to have a Living Trust. For those who are care givers or those who want to assist a disabled loved one, the Living Trust adds another vital feature: By using a Living Trust, you can provide security, comfort, and care to your loved one after your incapacity or death. The Living Trust, however, must be properly written to include your plan.

In addition, it takes assets to develop an income stream. After all, the house may be delightful, but your loved one needs things that only cash can buy. For many families, this means all assets must be kept in trust until the disabled person dies.

Don't think that financial matters means trading stocks and bonds or playing Donald Trump. It means paying the rent, the electric bill, and shopping at the supermarket. You accept these activities as daily routine. They are literally beyond the ability of many disabled people. This is part of why you must plan for them.

You must be very careful to avoid possible loss of disability benefits. This is true whether the source of the aid is the federal government, the state government, the county government, the city government, private programs or a combination of these. The loss of aid can happen if your loved one owns too many assets or has too much

income. In other words, "helping" your loved one by leaving assets may end all aid. Of course, if you leave enough to take care of the person for life, this is not a problem. But, if you don't leave enough, it is a big problem.

What is the big problem? The time it takes to "re-qualify" for whatever programs in which the person participates. If your loved one is on one or more aid programs, think back to how long it took to get on the program. Then think about who is going to do all that work to re-qualify if you are not there to do it.

Both eligibility and the amount of payments that a person receives from aid programs depend upon the person's resources. That is, the assets the person can convert to cash. For example, the federal government funds the Supplemental Security Income (SSI) program.

The government may reduce or stop that income, depending upon the person's income. Want a shocker? "Income" (according to the SSI regulations) includes earned and unearned income. What is unearned income, you ask? The government includes gifts, inheritance, or any property or service it can apply (either directly or indirectly) by sale or any other conversion, to meet the basic support needs. To see the full impact, read the federal regulations: 20 CFR 416.1101-1205.

Your goal should be to supplement—not replace—the programs in which your loved one participates. If you do not plan, your generosity will only benefit the government.

**We can help you formulate
and implement the proper plan
for your situation.
Please call us. We are here to help.**