

5 Factors of Special Needs Financial Planning

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When you have a child with special needs, learn about the major elements you should be planning for.

When your child has special needs, there's a lot to think about in terms of finances. The planning process may seem overwhelming. To help, here are the five factors of special needs financial planning, outlined more in *The Special Needs Planning Guide: How to Prepare for Every Stage of Your Child's Life*. They take you through the five main areas you should be thinking about, including finances, benefits, legal issues, support systems and emotions.

1. Financial Factors

- **Make a Balance Sheet**
Take an inventory of your assets and liabilities. Do the same for your child if they have any savings or debts. Write it all down.
- **Get a Handle on Cash Flow**
Identify your expenses and sources of income today and in the future. Do the same for your child while living at home with you and for when they need housing supports. Here's a handy Housing Checklist to use as a guide.
<http://www.specialneedsplanning.com/download-the-snfp-housing-checklist>
- **Get an Assessment**
Find out how much it will cost to provide the services and supports your child will need for his or her lifetime. This will help you set goals.
- **Protect Your Family**
Have and review your life insurance, long-term disability insurance and long-term care insurance coverage's for primary caregivers. Make sure medical insurance is in place for all family members.
- **Save for Your Future**
Build your own financial independence first. Maximize employee benefits for retirement savings.
- **Save for Your Child's Future**
It is important to begin saving for the future as soon as possible. But do not establish any savings or investment accounts in your child's name.
- **Monitor and Review**
Review your financial plan periodically; especially when there are any changes in your financial, marital status, employment, health, and/or abilities of your child.
- **Work With Professionals**
Seek out knowledgeable experts in special needs financial planning and tax planning. Use our Checklist for Interviewing a Financial Planner.
<http://www.specialneedsplanning.com/financial-planner-checklist>

2. Government Benefit Factors

- **Federal v. State Government Benefits**
Know the differences. Apply for any and all benefits that your child may be eligible for.
- **Determine Eligibility for Adult Services**
Know the lead state agency that will provide supports to you child upon turning age 22. Ask about eligibility requirements for services.
- **Maintain and Protect Eligibility for Benefits**
Even if your child is not currently receiving certain benefits, plan to maintain their eligibility for the future as a safety net.
- **Contact the Social Security Administration**
When your child approaches age 18 inquire about SSI eligibility through the Social Security site. When a parent dies, becomes disabled or retires, inquire about survivor benefits.

3. Legal Factors

- **Create a Proper Special Needs Trust**
This estate planning document will allow you to leave an inheritance to your child without jeopardizing his or her government benefits. Choose trustees you trust.

Learn more about What Special Needs Parents Need to Know About Wills and Trusts. <https://www.care.com/a/what-special-needs-parents-need-to-know-about-wills-and-trusts-1105191703?pcp=46883051>
- **Check Beneficiary Designations**
Check designations on all life insurance, annuities and retirement plan accounts. These designations will override provisions made in your will. Make sure you do not name “children equally” as the primary or contingent beneficiary.
- **Understand Guardianship and Alternatives**
Full guardianship by parent(s) may or may not be the best option for your child. Explore alternatives to consider prior to their age 18.
- **Work With a Disability Law Attorney**
Seek out experts in this area of estate planning. Find one in your area at Special Needs Planners or Special Needs Alliance. <http://www.specialneedsalliance.org/>

4. Family and Support Factors

- **Communicate Your Vision**
When you ask the people whom you want involved with your child’s life if they are willing to be involved, help them to understand your expectations of their role. No one likes surprises; let them know you have a plan in place.

- Complete a Letter of Intent (LOI)
Help prepare siblings, future guardians, caretakers, trustees and successors with important information about your child; who's who, their medical information, their likes and dislikes, their routines and other special information that you may be the only one who knows.
- Say Thank You! to Generous Grandparents
When family or friends offer to help by including your child in their gift or estate plans, encourage them to have their advisors speak with your advisors. Their generosity may unintentionally jeopardize your child's eligibility for government benefits.
- Stay Informed
Connect with family support agencies in your area and sign up for their newsletters, blogs and emails for updated information to keep you knowledgeable and informed.
- Include Siblings
Brothers and sisters share the longest relationship on earth. Get them involved, as soon as it is appropriate as they want to know. Share our "[SibTips](#)" with them.
- Follow these [9 Strategies for Nurturing Special Siblings](#).

5. Emotional Factors:

- Remove Emotions from the Planning Process
Work with impartial and unbiased professionals in order to make objective decisions.
- Take Time to Understand and Be Patient
There is a lot to learn and understand; be patient with yourself, your spouse and your family.
- Support the Siblings
Help them to connect with other siblings. Look for [SibShops](#) in your area.

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Special Needs Financial Planning is a specialty practice of Shepherd Financial Partners. Securities and Advisory services offered through LPL Financial, Member FINRA/SIPC. A Registered Investment Advisor.

** The information contained in this article should not be used for any actual planning without the advice and guidance of a professional advisor who is familiar with all the relevant facts. The information contained herein is general in nature and is not intended as legal, tax or investment advice. Furthermore, the information contained herein may not be applicable to or suitable for your specific circumstances and may require consideration of other matters.*

Future Planning



Financial

On a scale of 1-5, how prepared do I feel?

What action will I take to increase my score?

Family & Support

On a scale of 1-5, how prepared do I feel?

What action will I take to increase my score?

Legal

On a scale of 1-5, how prepared do I feel?

What action will I take to increase my score?

Government Benefits

On a scale of 1-5, how prepared do I feel?

What action will I take to increase my score?

Emotional

On a scale of 1-5, how prepared do I feel?

What action will I take to increase my score?

Adapted from The Five Factors of Special Needs Planning as presented by The Arc. For more information about the Center for Future Planning, visit <https://futureplanning.thearc.org/>