

# Tips for Families Who Have Children With Special Needs

When beginning to build their families, few parents expect to have a child with special needs. However, the experience is surprisingly common and affects millions of people throughout the United States. In fact, current estimates show that approximately 1 in 6 children from age 3 to 17 have at least one developmental disorder.<sup>1</sup>

Any parent knows that having a child brings love, satisfaction, and busyness. And being a parent of a child with special needs brings new concerns to address, as well. Depending on your child's unique situation, you may need to plan for a lifetime of care. This responsibility can bring both a significant financial investment to prepare for and estate-planning needs to manage when you are no longer here to oversee your child's care.

If you have a child with special needs, we recommend you consider taking the following steps to help provide a sound financial standing today and in the future:

## *Tip 1: Name a Guardian and a Trustee.*

Naming a guardian and trustee will help ensure your child has the support he or she deserves should you no longer be able to provide care. This step is especially important if your child may need care after becoming a legal adult.<sup>2</sup>

## *Tip 2: Write a Letter of Intent.*

A Letter of Intent allows you to document the specific details that matter in your child's daily life – from routines to preferences to contact information for doctors. By writing a Letter of Intent, you give clear guidance on your child's needs and your wishes to both the legal system and caregivers. Think of this letter as a tool for describing your child's history, his or her current circumstances, and your hopes and dreams for the future. While this document is not legally binding, it can help provide the guidance and perspectives that courts or a guardian will need when making decisions for your child.<sup>3</sup>

## *Tip 3: Establish a Special Needs Trust*

People with special needs are often eligible for a variety of government benefits. In order to qualify, they must not have assets beyond a certain level – typically as low as \$2,000. A Special Needs Trust can allow you to leave money and other assets to your child without jeopardizing his or her ability to claim government benefits.<sup>4</sup>

### *Tip 4: Educate Your Family Members*

If your child's grandparents, aunts, uncles, or other family members would like to include him or her in their will, you need to ensure they know the correct way to do so. Educate them on how and why to name the Special Needs Trust as a beneficiary. Taking this step is crucial, so their intended generosity doesn't inadvertently derail your child's eligibility for government benefits.<sup>5</sup>

### *Tip 5: Build Your Savings*

Giving your child the best possible care is often very expensive—and your insurance or school system may not cover all of the costs for required therapies and services. To help prepare for these expenses, you should both strive to increase how much money you save each month and explore specialized healthcare accounts. If your employer offers a Flexible Spending Account (FSA) or a Health Reimbursement Account (HRA), consider choosing these options. They can help you cover out-of-pocket healthcare expenses—and often include tax benefits for you.<sup>6</sup>

### *Tip 6: Write a Will*

According to a 2015 poll, nearly two-thirds of Americans do not have a will.<sup>7</sup> This important legal document helps ensure you name a guardian who will legally care for your child and that your assets go to the Special Needs Trust. If you do not have a will, a probate judge could make your child ineligible for federal benefits by naming him or her as a beneficiary of your assets. While services exist to help create a will on your own, we recommend that you work with a skilled attorney who understands the intricacies faced by families like yours.<sup>8</sup>

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Raising a child with special needs may require additional planning. By putting your financial life in order now, you can focus on enjoying your time together as a family. To learn more about making the right financial decisions for your loved ones today, contact us any time. We are happy to help you make the most of your financial life.

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## Footnotes, disclosures, and sources:

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<sup>1</sup><https://www.cdc.gov/ncbddd/developmentaldisabilities/about.html>

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<sup>2</sup><https://www.morganstanley.com/articles/special-needs-children>

<sup>3</sup>[http://kidshealth.org/en/parents/needs-planning.html#kha\\_24](http://kidshealth.org/en/parents/needs-planning.html#kha_24)

<sup>4</sup><https://www.morganstanley.com/articles/special-needs-children>

<sup>5</sup><http://kidshealth.org/en/parents/needs-planning.html#>

<sup>6</sup><https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/2017-fsa-contribution-limits.aspx>

<https://www.healthcare.gov/glossary/health-reimbursement-account-hra/>

<sup>7</sup><https://www.usatoday.com/story/money/personalfinance/2015/07/11/estate-plan-will/71270548/#>

<sup>8</sup>[http://kidshealth.org/en/parents/needs-planning.html#kha\\_12](http://kidshealth.org/en/parents/needs-planning.html#kha_12)