



In this Issue we will be discussing Step Three: “Create your strategy”. Once you have your finances in order, it’s time to create a strategy for accomplishing your family’s short and long-term goals.

Reaching these goals will ultimately determine the lifestyle and care of your family member with special needs.

Proper preparation focuses on achieving as much independence as possible for your loved one. In general, if we were to establish a timeline it would follow your family member’s journey from birth to adulthood.

BIRTH	CHILD	YOUTH	ADULT	INDEPENDENCE
Early Intervention;  Family acclimation	Individual Education Plan;  Family learns culture	Transition from primary to secondary to post secondary school	If needed, Primary caregiver(s) Establish guardianship;  Eligible for public benefits	Individual Service Plan/  Employment;  End of parents' legal decision-making authority

As you can see, many transitions occur throughout his or her lifetime. Your special need strategy should be developed as early as possible. It should account for family consideration, housing, as well as your loved one’s social, mental, physical and emotional needs. There are several key tools your family can utilize to help ensure a smooth path to independence and beyond.

The first of these tools are revocable living trusts and wills. These legally binding documents are used to distribute property, and more importantly, help insure your loved one is cared for the way you want by the people you choose.

Second are the power of attorney and guardianship documents. When a child legally becomes an adult, the legal decision-making authority of the parents ends – regardless of the circumstances. As a result, parents may not be able to make financial or healthcare decisions, or even access their child’s

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medical records. A power of attorney or the court's naming a parent as guardian can eliminate these issues.

The third tool at your disposal are Special Needs Trusts.

By definition, a Trust is a contract to control property for the benefit of a beneficiary to meet some objective. There is a common misconception that trusts are only for the wealthy people, but that's simply not true. Leaving an outright inheritance to your family member could disqualify the person from basic governmental benefits. If properly drafted, a Special Needs Trust allows you to leave money to your family member without jeopardizing access to governmental benefits. It improves the quality of life and protects the financial future of your family member. The trust provides extra income for care, assistance and education beyond the basics covered by governmental benefits.

We now need to ask – What are the trustee's responsibilities?

- Accomplishing the trust creator's goals
- Administering the trust
- Accounting and tax reporting
- Maintaining trust assets
- Developing and implementing an investment strategy
- Managing, investing and distributing wealth
- Using discretion in distribution
- Investigating claims and opposing invalid claims
- Impartially executing all trust tasks
- Defending the trust

When creating a Special Needs Trust, you need to select a trustee to administer it. Many trust fail because of ill equipped trustees, so it's crucial to make sure you and your potential trustee have a full understanding of the responsibilities outlined above.

There isn't a "one-size-fits-all," model for selecting a trustee or administering a Special Needs Trust. As you consider your options, be sure that the strengths of those involved with your special need trust cover all of these areas:

- Relationship with family member
- Financial understanding (Accounting, Investments, Taxes)
- Legal Understanding (Administrative capabilities)
- Time availability
- Trustworthiness



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- Advocacy
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Once you have setup the trust and selected the trustee(s), one element is still missing: Consider a Trust as a vehicle, the Trustee as the driver, and funding is the fuel to help the Special Needs Trust reach its goal. Without gas, the trust “vehicle” won’t achieve all you’ve set out to accomplish.

So what can be used to “fuel” your trust? You can fund a Special Needs Trust in a variety of ways, including:

- Life Insurance
- Real estate
- Cash or Investments\*
- Retirement plans

All Trust related issues, make sure you consult with an attorney and CPA.

In the next Issue we will be discussing step four: “Writing your vision down.”

*Remember “A special tomorrow begins today”*

**Please pass this on to friends and families  
that you know that may benefit from this and future volumes.**

Regards,

Team Members

Pat Rinaudo, Financial Advisor & Mark Rothchild, Registered Representative

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