

FIDELITY WEALTH MANAGEMENT **WEBINAR**

Planning for a loved one with special needs



Our Speakers

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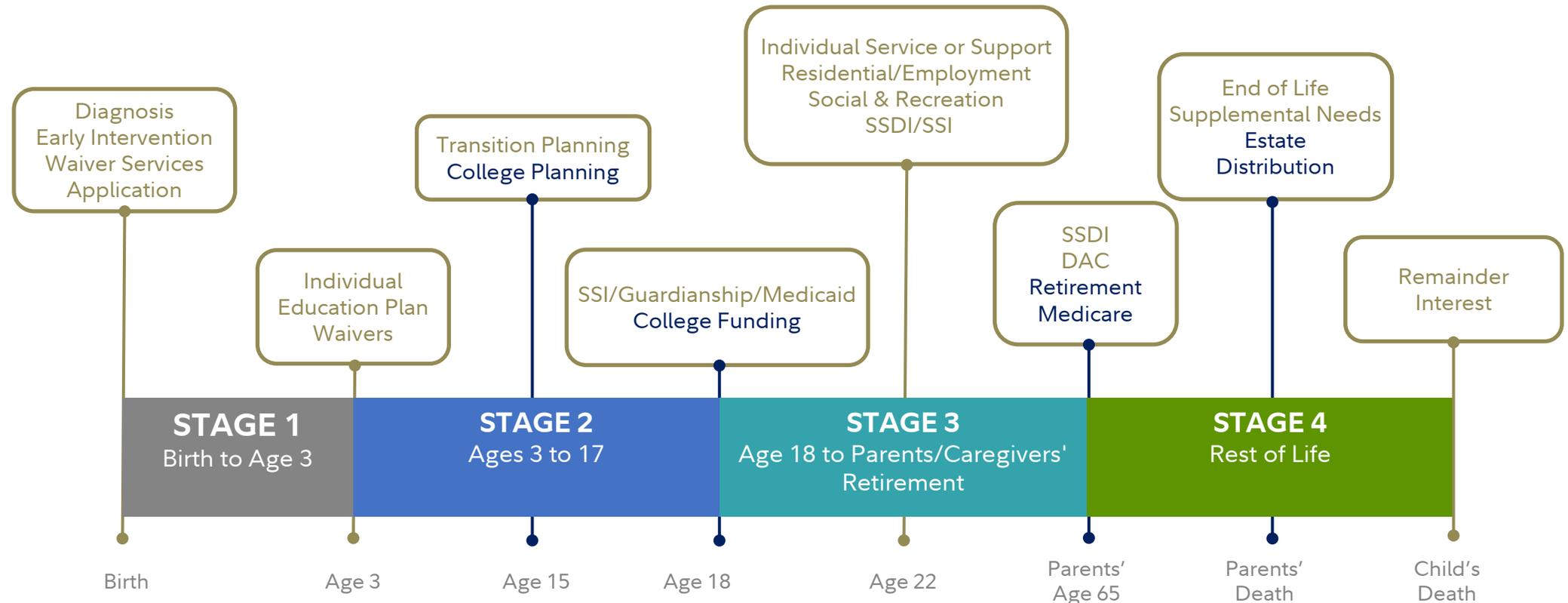


3 Common Questions

- 1 "How can I best ensure the **well-being** and **quality of life** of my loved one, now and after I pass away?"
- 2 "How can I best **provide financially** for my loved one, during my lifetime and after I pass away?"
- 3 "How do I **get started**?"

Creating Your Vision

*"Vision without action is a daydream.
Action without vision is a nightmare."
—Japanese proverb*



■ Traditional Planning Timeline

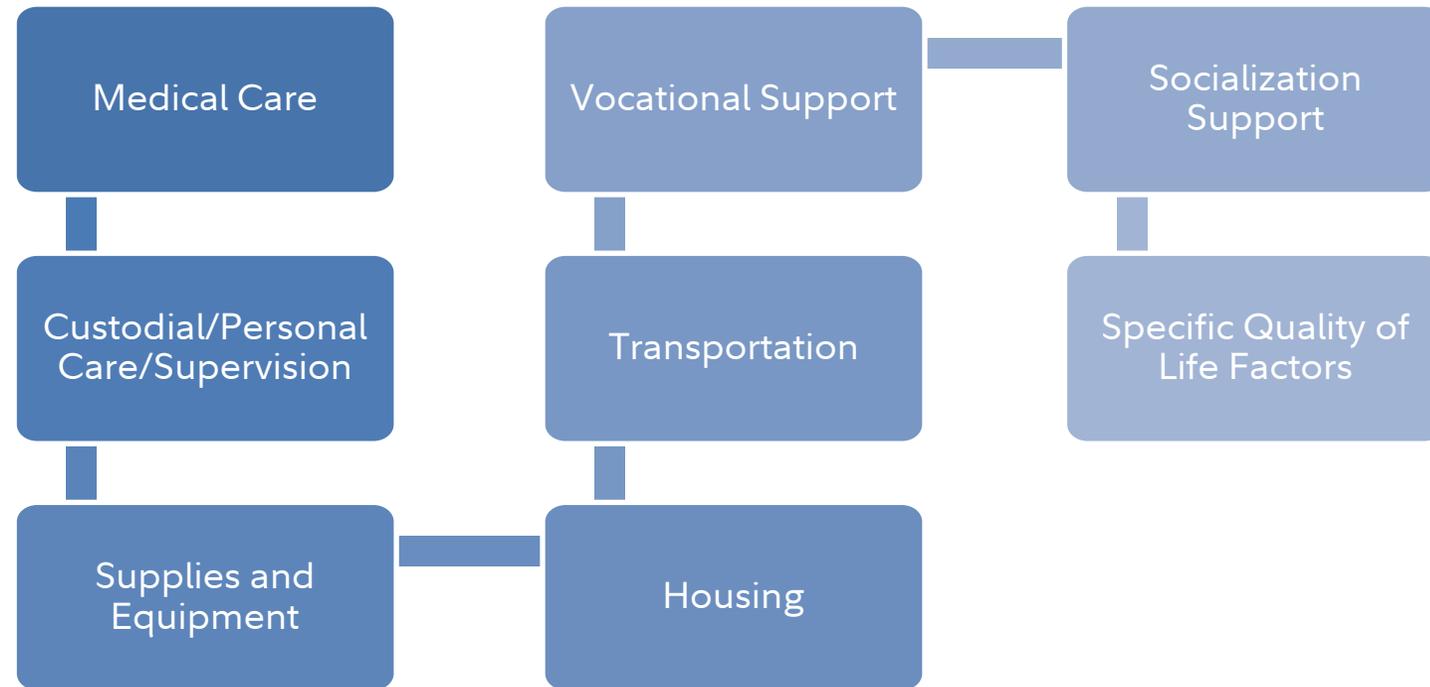
■ Special Needs Planning Timeline



Step 1: Understanding the Needs

Understanding the special needs, not only for today but *throughout a lifetime*.

Diagnosis and potential complications | Family medical history | Aging process | Life expectancy





Step 2: Projecting the Costs

1. Understand the current and future value of benefits
 - ▶ Supplemental Security Income
 - ▶ Social Security Disability/Dependent Benefits/Survivor Benefits
 - ▶ Medicaid and Medicaid Waiver
 - ▶ Developmental Disability Services
 - ▶ Medicare
 - ▶ Other
2. Discuss the value of unpaid family time and services as well as successor roles
3. Develop an expenditure plan (in today's dollars) for all other costs based on the vision for care and quality of life



Your Planning Toolbox

Designed specifically around special needs:

- ▶ Special needs trust (SNT)
 - First party
 - Third party
 - Pooled
- ▶ ABLE accounts
- ▶ Certain government or employer benefits

Other solutions to consider:

- ▶ Other trusts
- ▶ Durable power of attorney
- ▶ Guardianship
- ▶ Physician orders for life-sustaining treatment (POLST)
- ▶ Health care proxy (HCP)
- ▶ Advance directives
- ▶ Life insurance
- ▶ Beneficiary designations
- ▶ Estate plans and wills



Special Needs Trust

Intention is to provide supplemental funding beyond government funds

3 different types

Full discretion to trustee

Consider:

- ▶ Selection of a trustee
- ▶ Letters of intent

Dos and Don'ts for Trustees



Do

- ✓ *Do* understand the Trust can be used to **enhance the lifestyle** of the beneficiary
- ✓ *Do* understand that **distributions rules vary** depending on the specific government program the beneficiary is enrolled in
- ✓ *Do* consider that **life insurance** purchased by the trust on the life of an important caregiver for the beneficiary may be appropriate or advisable
- ✓ *Do* consider that it may be advantageous to forgo/reduce **public benefits**



Don't

- × *Don't* **distribute cash** to the beneficiary (in most cases)—pay bills directly to third-party vendors
- × *Don't* forget that the trustee of a special needs trust must **adhere to traditional trust rules** for investments, accountings, taxes, etc.



ABLE Accounts

- ▶ What is an ABLE account?
- ▶ What types of expenses can be paid from an ABLE account?
- ▶ Can you have multiple ABLE accounts?
- ▶ Are there any watch-outs I should be aware of for ABLE accounts?
- ▶ Can I have both an ABLE account and a special needs trust?



How Fidelity Can Help

Support from a Fidelity representative

- ▶ Fidelity has many resources and may be able to help with additional planning and solutions
- ▶ Contact your Fidelity representative to learn more
- ▶ [Fidelity.com/FindAnAdvisor](https://www.fidelity.com/FindAnAdvisor)

Related resources

- ▶ Recent caregiving webinar: [Fidelity.com/CaregivingWebinar](https://www.fidelity.com/CaregivingWebinar)
- ▶ Special needs section of our Life Events hub:
MyGuidance.Fidelity.com/ftgw/pna/public/lifeevents/content/specialneeds/overview

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