

# Planning Partners Press<sup>TM</sup>

A Fax Update From The National Network

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## Planning for the Special Child

(Part 2 of 2)

In our last issue, we raised the topic of caring for the special child (one who needs ongoing professional care or lifetime parenting) when the parents become disabled or die. If your client has a special child, they are rightfully concerned about the costs and logistics of care if they are not around.

We introduced the roles of guardians and conservators, and showed why a client may not want to depend on the judicial system to care for the special child. The system is fraught with red tape, paperwork, and expense. And these expenses are in addition to expenses for special education, medical treatment, and therapy.

Other questions also arise. Can the child qualify for state or federal benefits to help ease the financial burden? If a special child has brothers or sisters, how do you split their inheritance? In some cases, siblings resent the extra care and money that is spent on a special brother or sister. And the client is no longer around to explain and soothe hurt feelings.

Obviously, special children deserve and need very special planning. One solution may be a trust that becomes effective upon the client's disability or death (or the death or disability of both client and spouse if married). This trust sets out their instructions about how they want their special child cared for. Instead of allowing a judge to choose a conservator, the client selects one or more trustees to be the caretakers of the property and/or money that is left expressly for the special child.

The trustees must, by law, follow the client's instructions so that the parents' guidance lives on for the benefit of the child. The trustee can ensure that all payments to which the child is entitled, are received from any governmental agency or charitable institution, and that the trust does not duplicate those payments. Such instructions will help the child, by allowing him or her to collect the full benefits that are available from all sources, while maintaining trust assets for extraordinary needs, or for the use by other beneficiaries.

Even with a special trust like this, many parents are still concerned about having sufficient cash or property in the trust to care for their child throughout his or her entire lifetime. They are also concerned about providing a fair division of their property for all their children.

In cases like these, we recommend that both disability insurance and life insurance be used to fund a trust expressly for the special child, as well as for the other children if necessary. Insurance is often the least expensive method of attaining peace of mind in knowing that there is cash available for a special child when the client is no longer there to earn the needed funds.

By earmarking this insurance for a special trust for the client's special child, the remainder of the client's property can then be divided in a more equitable manner among other children. Special children call for very special planning. The combination of insurance and this special trust provides a solution.

## PERSONALIZE ME!

This area of the Planning Partners Press newsletter is used to provide information about your firm, upcoming workshops, and biographical information.

Examples include:

### Upcoming Workshops

#### **Truth About Estate Planning Workshop**

- May 7, 2025 at 2:00 p.m.
- May 12, 2025 at 7:00 p.m.

### Biographical Information

Attorney Robert Smith limits his practice to the area of Estate Planning and Administration. Our offices are located ...

### Or even graphics!

