

10 Financial Actions For Families With A Disabled Member

By Rob Wrubel

Does a member of your family have special needs? If so, you face many unique challenges in planning for their needs – including planning around medical issues, government benefits and financial needs. You may be worried about what will happen to your loved one when you are no longer there to provide the personal care and assistance to which they are accustomed. The time to plan is now. Where do you start? Here are ten actions to take today to help make significant differences tomorrow.

1. Envision the future

To begin the planning process, start by creating a vision of the future you desire for your family - including you, your disabled child, sibling or parent and other related people. This step helps make the transition from fearing the future to taking actions to create the future you desire. Don't be afraid that you will make mistakes – you can always adjust the plan.

The process of creating a vision is not easy – we cannot imagine anyone providing the care, love and patience that we do. But once we have looked ahead and tried to imagine the future, finding the resources through financial, estate and care planning becomes much easier.

2. Have your will reviewed and start your estate planning.

Find out about special needs trusts. Special needs trusts enable family members to draw on funds for things like travel, additional therapy and subscriptions without endangering government benefits.

Wills, trusts and other documents that an attorney can help you write can help communicate your wishes after your death. Having these in place may significantly improve the quality of life of your disabled family member.

3. Name trustees and successor trustees

A trustee has financial authority over any assets you've left in trust. I believe, a trustee's job is to balance spending dollars today with investing for tomorrow. They should not spend money in ways that may lose government benefits for the person with a disability, in my view.

4. Create a financial plan

Take the time to set short, mid and long term goals for your family. You've taken the time to dream about the type of life you'd like for yourself and family members. Now analyze how to pay for making these dreams come true.

5. Annual review of your plan.

Many of our clients come to us with old financial plans. They have often not taken the time to keep these plans up to date. Life changes, so make sure your plan has kept up by meeting with your advisor on a regular basis.

6. Create a family balance sheet and income statement

As part of your financial planning, keep a detailed record of your family's financial health by keeping track of your assets and debts. Keep records of your savings accounts, investment accounts, 401ks, life insurance, etc. Understand how much debt you carry – like car loans and mortgages – and the interest rates you pay. Tracking your assets and debts annually will help with estate planning and could be required by government entities. Understanding your income and expenses will enable your advisors to help you design investment and savings plans.

7. Review insurance coverage.

Many of us plan to care for our family members while we are alive, but wish to put a legacy in place through estate planning. Review your life insurance to make sure your intentions are being properly funded.

8. Start and maintain a life planning document and/or special letter of intent.

Communicate with future care givers your vision of care and the life you'd like your family member to have. Does your family member like apple pie or cherry pie? Have a detailed medical and pharmaceutical history. These types of documents provide a road map for people interacting with your loved one when you cannot be there to make decisions.

9. Review income and assets of disabled family member

Recipients of government benefits are often limited to certain income and asset restrictions. Don't lose benefits through negligence. Generally, your family member can only have a certain amount in savings or they are liable to lose benefits.

10. Review available government benefits.

Stay abreast of benefits that are available and potential changes coming in the future. Don't be afraid to ask if there's a program you qualify for or if there is anything else you could be doing. Many times, simple open-ended questions to care providers, government agency employees and professionals will yield information on new programs.

For more information about financial planning for families with a disabled family member, call Rob Wrubel, Senior Investment Advisor with Cascade Investment Group, (719) 632-0818.

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