

CASE STUDY

Sales Builder Concepts at Work

SPECIAL NEEDS PLANNING

OVERVIEW

Caring for a family member with special needs requires specialized planning. A properly funded Special Needs Trust with life insurance can be an effective way to address a client's unique and specific needs.

FAMILY INFORMATION		NEEDS ANALYSIS	
Father <i>Works outside of the home.</i>	AGE 48	Expenses	
Mother <i>At home, full-time caregiver.</i>	AGE 48	Living Expenses	\$1,591,200
Daughter <i>Autism – special needs</i>	AGE 10	Health and Care Expenses	\$1,533,600
Projected Expenses		Education & Job Training Expenses	\$192,000
<ul style="list-style-type: none">Future housing costs for daughter: \$1,500 per month starting at age 22. <i>continues through life expectancy.</i>Transportation and personal needs costs of \$600 per month <i>from age 10 until life expectancy.</i>Custodial care and health insurance of \$1,800 per month <i>from age 10 until life expectancy.</i>Tuition of \$16k per year <i>from age 10 to age 22</i>		Other Expenses	
Current Assets & Income		Emergency und	\$0
<ol style="list-style-type: none">Structured Settlement income: \$600 a monthAssets earmarked for care: \$1,000,000Assumed inflation rate: 3%		One-time Fixed Costs	\$0
		Subtotal	\$3,316,800
		Sources of Income	
		Public Benefits	\$0
		Structured Settlement	\$600
		Beneficiary's Income	\$0
		Earmarked Assets	\$1,000,000
		Existing Life Insurance	\$0
		Subtotal	\$1,216,889
		Total Expenses	\$3,316,800
		Less Existing Sources of Income	(\$1,216,889)
		Life Insurance Need	\$2,099,911

By creating a properly funded Special Needs Trust with life insurance, you can help your clients create a source of funds to provide requisite care in case of an unexpected event.

Special Needs Trusts should be drafted by a qualified, licensed attorney who is familiar with special needs planning and can ensure proper attention is given to suitability, transfer tax implications, and eligibility for government benefits.