



AUTISM ALLIANCE OF MICHIGAN PRESENTS

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Help. Hope. Answers. Today

WHAT IS THE RIGHT AMOUNT TO FUND A SPECIAL NEEDS TRUST?

Contributed by Minoti Rajput, CFP, ChSNC,
Founder and Principal Wealth Advisor,
Secure Planning Strategies



Funding Strategies for Special Needs Trusts

When parents start the planning process for a child with special needs, they usually work under the perception that if they create a Special Needs Trust, the child will be taken care of and the needs will be met. Unfortunately, the action of creating a trust does not ensure that the child will be taken care of, and funding the trust is just as important as creating it. In addition, parents always have to be mindful of the stability and security of their own financial planning in the entire process of funding the Special Needs Trust.

Parents are recommended to keep a record of how much they spend on their child now and project what the child's expenses will be in the future. It is also important to weigh in on what expenses the child may have that will NOT be covered by the government. Parents may take into consideration the aging process of the child, possible medical conditions that may require special attention and potential inadequate government resources. This will provide a detailed picture of the child's needs and the amount of money needed to fund the Special Needs Trust. At the end, however, planning for the Special Needs Trust funding should be done based on the parents' ability to pay for it.





For many families, it may not be practical to count on a portion of the remaining estate of the parents to fund the Special Needs Trust. The parents may need their assets for their own retirement or a possible long-term care and may not have much left by the time they pass away. A Special Needs Trust may be funded during the parents' lifetime, but most trusts are generally funded after the parents pass away. Most families take care of the financial needs of their child with special needs while they are alive. The need of the funded the trust is mainly after the parents have passed on. Permanent life insurance is often used as a product that ultimately funds the Special Needs Trust. Life insurance is an asset that is created on a leverage basis, and the death proceeds are tax-free.

The asset mix for most families is a combination of retirement assets, non-retirement (after tax assets) and the family home. In determining the best way to divide their remaining assets between their children including the Special Needs Trust, parents may need to be educated on tax implications on the assets at the time of distribution. Until recently, the retirement assets were typically recommended to be distributed to the family's other children for their ability to stretch the assets based on their life expectancy. The Secure Act tax law change that passed in December 2019 no longer allows the stretch to children inheriting their parents' retirement assets. It will need to be distributed in ten years at the cost of expensive taxation.

A person with disability, on the other hand, may be able to stretch an inherited retirement asset over their life expectancy. Since the person with disability will typically have their assets held in a Special Needs Trust, the trust with the right language (see through language) will be able to provide the stretch of the assets that may be more tax efficient, depending upon the income needs of the person with disability.

One of the most common assets to fund a Special Needs Trust is permanent life insurance on the parents. Life insurance allows creation of an asset on a leveraged basis, providing tax-free death proceeds and a practical approach to funding the trust.

Revocable Special Needs Trusts become irrevocable upon both parents' death. Irrevocable trusts are tax paying entities and are taxed at a higher rate. Investment management of assets in this trust has to be done carefully to achieve maximum tax efficiency.

Planning for the secure future of a person with disability requires a team of professionals. Periodic reviews are a must for best results to keep your plan current. Changes will continue to take place in the future such as tax laws, government benefits as well as in the family dynamics.





Your wealth advisor, estate planning attorney and/or CPA have to be well-versed on special needs planning matters for best results and a secure future of your loved one.



Minoti Rajput is the Founder and Principal Wealth Advisor of Secure Planning Strategies. She has been working with families with children of special needs for over thirty years and is a frequent speaker on various topics related to special needs planning. She is also the author of [‘Beyond a Parent’s Love’](#).



COMMUNITY SPOTLIGHT

Maria Quas

Former Therapeutic Recreation
Coordinator for Independence Township

My first experience with Special Needs was as a paraprofessional in an ASD classroom where I worked one-on-one with some of the most loving and brilliant children I have encountered. I felt purpose, reason, and gratitude. I learned about humanity and life through the children. I continued working in the school districts. Later, I was sent to a Basic Plus classroom with cognitively impaired children. Again, the abundance of love that was given through helping the children is something that no other job could provide.

Up until recently, I held the position as a Therapeutic Recreation Coordinator for Independence Township. I had the honor of creating programs for participants with cognitive disabilities, with or without physical impairments. Monday nights we have Buddy Basketball, Buddy Baseball, or Buddy Soccer depending on the season. It is so wonderful to step back and look at the community coming together with Buddies (volunteers) and Participants creating a friendship. Friday is Pizza & Movie Night, Bingo, or Bowling. Not only did I host the events, but genuinely enjoyed being there. Creating relationships with the participants will last a lifetime. The love I feel for each individual is something words will never be able to express. No matter where life takes me, I found a purpose and will always give to a community that gives to me.

To find out more about this program, please go to:

http://www.indetwp.com/departments/parks_rec_and_seniors/therapeutic_recreation.php





MARCH AT A GLANCE

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 The After I'm Gone Program (Grosse Pointe Woods)	2 ADOS 2 Training (Ann Arbor)	3 SPAR Event – XC Skiing & Snowshoe Clinic (Gogebic County) Save-the-date! Self-Advocacy Day at the Capitol (Lansing)	4 Sensory Series Workshop (Clarkston) Michigan Council for Exceptional Children (MCEC) Conference 2020 (Grand Rapids)	5 Crucial Conversations with the MDD Council (Traverse City) Sensory-friendly Event Reptile Handling Class (Utica)	6 2020 Navigating Autism Today Conference (Belleville) Refresh, Renew, Revisit: Michigan Assistive Technology Conference (Lansing)	7 25th Annual CARE Parenting Conference (Clinton Township) St. Patrick's Day Celebration (Sterling Heights)
8 ACT Collage (Grand Rapids)	9 Great Lakes Bay ABA Collaborative Network-Transition to School (Saginaw)	10 Genesee ISD County Wide START Training (Flint) Sensory Processing and Behavior (Milford)	11 Crucial Conversations with the MDD Council (Holland) Link Up: the Orchestra Sings (Ann Arbor)	12 Abilities Awareness Rally (Troy) My Choice, My Voice (Muskegon)	13 Camp Fish Tales Respite Weekends (Pinconning) MACUL Conference 2020 (Grand Rapids)	14 SF Saturday at the Ford Rouge Factory Tour (Dearborn) Delta County Sibshops (EsCANaba)
15 Dogman: the Musical Sensory-Friendly Performance (East Lansing)	16 Michigan Transition Services Association Conference 2020 (Acme)	17 U-M Research Symposium on Children and Adolescents (Ann Arbor)	18 Michigan Family Summit & Vendor Fair (Novi) Introduction to Autism with Pediatric Neurologist Dr. Christopher Allen (Bay City)	19 EMU Free Neurological OT Clinic (Ypsilanti)	20 Michigan Speech Language Hearing Association Conference 2020 (Detroit)	21 Newaygo County Autism Community Open Swim (Fremont) Falconers "Sense"-sational Zoo! (East Lansing)
22 Caring Bunny (Ann Arbor)	23 Potty Training: Tips & Tricks (Farmington Hills) OUCARES Family Fun Day (Rochester)	24 Making Marionettes (Grand Rapids)	25 Crucial Conversations with the MDD Council (Houghton)	26 Crucial Conversations with the MDD Council (Sault Ste. Marie)	27 Disability Awareness Day 2020 (Grand Rapids)	28 FCF Transitions Symposium (Harper Woods)
29 The Fowler Center Weekend Respite Camp (Mayville)	30 DBT 2-Day Introduction (Lansing)	31 DBT 2-Day Introduction (Lansing)				

** For more information on any of these events, please contact the MiNavigator line at 877-463-2266.

2020 NAVIGATING AUTISM TODAY CONFERENCE

Friday, March 6th, 2020 | Wayne County Community College District - Ted Scott Campus | Belleville



Tickets and vendor tables available at AAoMConference.org

