

# Special needs children

Why this market niche is worth exploring





---

Families with special needs children need your guidance	3
Opportunities for financial solutions	4
Estate planning tips for special needs clients	6
Ask the right questions	7
Creating a unique estate plan	8
Key estate planning tools	8
Identify education and job resources	9
Reaching families with special needs kids	10
Additional resources	11

By understanding the unique challenges families with special needs children face, you can help them prepare for their financial future with a personalized estate plan. It's worth the effort. That's because there is plenty of opportunity in this relatively untapped market. Parents welcome your advice so they can ensure their love lives on.

# Families with special needs children need your guidance

According to the University of New Hampshire's Institute on Disability:

**40.6 million**

Americans were living with a disability in 2018<sup>1</sup>

## Americans with disabilities are living longer – but it can be expensive:

The life expectancy of someone with Down syndrome:

1940s: **12 years**<sup>2</sup>  
2019: **60 years**<sup>2</sup>

The average lifetime costs for someone with autism:

**\$1.4 million**<sup>3</sup>

Considering that 2.8 million families across the U.S. are raising two or more children with a disability, it's especially critical for parents to make a financial plan now – to ensure their children's future quality of life.<sup>3</sup> With the right tools and an understanding of their needs, you can be well positioned to assist parents with their unique estate planning needs.



### "Special needs" defined

Children with special needs need help caring for their day-to-day duties, including physical, mental and emotional disabilities. Care such as medical, physical, occupational or speech therapies, special educational support and financial assistance can help maintain their independence.

1. ["The Power of Statistics: StatsRRTC Releases 2019 Annual Disability Statistics Compendium."](#) Rehabilitation Research and Training Center on Disability Statistics and Demographics (StatsRRTC), University of New Hampshire's Institute on Disability (IOD), March 3, 2020.
2. Price, Jenny. ["How Parents Can Build a Support System for Adult Children With Disabilities."](#) AARP, December 19, 2019.
3. Robson, Brian. ["How to Plan \(& Provide\) for a Child with Special Needs."](#) The Simple Dollar, April 8, 2020.



## Opportunities for financial solutions

Now, more than ever, is the time to learn about and understand families with special needs children – a market place that tends to be underserved. That's because some view this community as a niche market or fear doing or saying something insensitive.

Families in this market generally may have the same level of income and face similar challenges as the general population. However, every person with special needs is different and has unique care concerns – and there are complex legal issues and government programs parents must navigate.

You can help parents create a financial strategy and set up a personalized estate plan that helps ensure their special needs children are cared for. And have access to both educational and job opportunities when they're no longer there.

# Why this is a growing market

Several other factors increase the need for estate planning and financial strategies for families with special needs children:

## **People are living longer with disabilities.<sup>4</sup>**

Not only must parents and guardians financially prepare for the rest of their own lives, they must also potentially factor in the life of their family member with special needs.

## **Care resources need to last.**

Without proper preparation, government benefits could be reduced or stopped, and assets set aside for the family member could be depleted.

## **The court makes care decisions if families don't.**

If parents do not determine who will fulfill caretaking responsibilities, the child could become a **ward of the court** when their parents die.

## **There's opportunity for error.**

Parents are juggling a myriad of issues, including:

- Variety of public and private programs available
- State laws vary
- Multiple professionals are involved, increasing the chances of miscommunication
- Lack of awareness regarding how they can unintentionally negatively impact their loved one

---

## **Ward of the court**

An individual who is unable to care for him or herself, such that the court (government) must assume responsibility for his or her well-being (e.g., minor children whose parents die or become unable to care for them; or an adult who suffers from some sort of mental incapacity and therefore lacks the ability to manage his or her own life).

4. Townley, Chiara. ["People are living longer despite care inequities."](https://www.medicalnewstoday.com/articles/366887) medicalnewstoday.com, April 12, 2019.

# Estate planning tips for special needs clients

As a financial professional, you can play an important role in making sure your clients with special needs children have a sound financial strategy and a proper estate plan in place.

Here are five steps your clients can take to help ensure a secure tomorrow for their family:

**Step 1** **Choose a team of family members and professionals.** You, along with a family's attorney and social worker, can work together to help clients understand fiduciary requirements, government benefits, tax laws – and any other special concerns.

**Step 2** **Assess needs.** Help families set both short- and long-term financial goals, and determine the amount of money they need and how much their loved one will need in the future.

**Step 3** **Prepare and implement a strategy.** Remind families to consider the type of lifestyle they want for their loved one and the costs.

**Step 4** **Write down a vision.** Encourage parents to write a Letter of Intent for future caregivers and trustees and outline their wishes for their child.

**Step 5** **Go over these steps annually.** Help clients regularly review their health or benefit eligibility, their financial situation, the current financial team, a special needs trust, and any changes needed to meet their goals.



## Ask the right questions

You can also encourage parents to ask the right questions as you work together to develop a financial strategy that works for their special needs family:

1. What are the current instructions for care?
2. What are your loved one's unique interests and abilities?
3. What opportunities and experiences do you want to ensure for your family member?
4. What assets are owned by your loved one?
5. What will life be like for your family member after you're gone or incapacitated?  
Who will provide care? Are these people willing?  
Should the primary caregiver be the designated guardian of your loved one?  
What will be the guardian's responsibilities?  
Where will your family member live?
6. Is your loved one eligible for governmental benefits?  
If so, do you understand them?  
Are government programs and funding available for your loved one's entire life?  
Are your financial assets and legal documents able to protect eligibility for government benefits?
7. Have the rest of your family's needs been addressed?

# Creating a unique estate plan

Children with special needs might qualify for government programs such as Medicaid or Supplemental Security Income (SSI). However, there are strict income and asset limitations. For example, a child must have less than \$2,000 in assets to qualify for SSI.<sup>5</sup>

An estate plan can help ensure the continued care and lifestyle of children with special needs so government benefits aren't reduced or stopped.

---

Use our “Special needs estate planning questionnaire” (F72274-2) to start the conversation.

## Life insurance benefits

Life insurance can provide smart solutions for families with a special needs child.

**1. The death benefit** can provide tax-free financial support to ensure the lifestyle families have created for their loved ones with special needs remains intact even after they are gone.

**2. Cash value** can be a valuable tool for current and future costs associated with raising a child with special needs. The cash value has the potential to grow tax-deferred and become a tax-advantaged source of cash to supplement future financial needs.

**3. Additional agreements** may enhance the life insurance policy to address each aspect of the clients' goals, from providing for their own care to customizing the death benefit payout.

By providing parents of special needs children with life insurance options, you are helping ensure their children's futures are secure.

## Key estate planning tools

You can also help families identify and meet their financial needs and goals by discussing these important estate-planning tools:

**Power of attorney (POA)** – Person who has the legal right to handle someone's financial affairs

**Living will** – Legal document that provides health care direction if someone becomes incapacitated or terminally ill

**Trust** – Legal document that directs the management and distribution of assets

**Letter of intent** – Informal document that gives detailed instructions to future caregivers; use our “Letter of intent template” (F72274-28)

**Special needs trust** – Protect a child's assets while allowing them to maintain eligibility for public assistance benefits; supplies extra income for care, assistance and education

**ABLE accounts** – Tax-advantaged savings accounts that allow up to \$100,000 without affecting government benefits

5. “Spotlight on Resources: 2020 Edition.” Social Security Administration, [ssa.gov](https://ssa.gov), 2020.

Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.



## Identify education and job resources

Every parent dreams that their child – with or without special needs – can reach his or her full potential. This includes education and finding a fulfilling job or career.

The Section 529 Savings Plan lets families set aside money that grows tax advantaged for a wide range of education expenses. Parents with special needs children can avoid negatively affecting their children's SSI benefits by only using 529 plan funds for qualifying expenses, such as tuition, fees, school supplies and transportation.

The Social Security Administration's (SSA) Ticket to Work program also enables SSI recipients to explore free employment services. And the Plan to Achieve Self-Support (PASS) allows SSI recipients to set aside funds to cover expenses related to their job search.

The Achieving a Better Life Experience (ABLE) Act is a tax-advantaged savings account designed for individuals to help pay for qualified disability expenses. Participation in an ABLE Account does not guarantee that the contributions and investment returns will be adequate to cover all expenses related to the designated beneficiary as a result of living with disabilities. Contributors to the plan assume all investment risk, including the potential for loss of principal, and any penalties for non-qualified disability withdrawals.

Each state's ABLE program will have different investment choices, costs and fee structures. Clients should consult with their financial, tax or other advisor to learn more about how state based benefits (including any limitations) would apply to their specific circumstances. They may also wish to contact the state specific plan Program Administrator to learn more about the benefits that might be available to them by investing in an ABLE Account. Not all states have an ABLE program.

A 529 plan is a tax-advantaged investment program designed to help pay for qualified education expenses. Participation in a 529 plan does not guarantee that the contributions and investment returns will be adequate to cover education expenses. Contributors to the plan assume all investment risk, including the potential for loss of principal, and any penalties for non-educational withdrawals.

The state of residence may offer state tax advantages to residents who participate in the in-state plan, subject to meeting certain conditions or requirements. Clients may miss out on certain state tax advantages should they choose another state's 529 plan. Any state based benefits should be one of many appropriately weighted factors to be considered in making an investment decision. Clients should consult with their financial, tax or other advisor to learn more about how state based benefits (including any limitations) would apply to their specific circumstances. They may also wish to contact their home state's 529 plan Program Administrator to learn more about the benefits that might be available to them by investing in the in-state plan.



## Reaching families with special needs kids

It will take time to learn about the special needs market and cultivate relationships with families.

Our “Families with special needs” materials will provide you with the education, tools and resources you need to send a comforting and empowering message to families with special needs children. And they can help you provide your clients with the life insurance solutions they need to reach their goals:

- How to create a special needs financial strategy (F72274-3)
- Special needs estate planning questionnaire (F72274-2)
- Helpful resources for families with special needs (F72274-5)
- Financial strategies for families with special needs (F72274-8)
- Case Studies: Ensuring care for children with special needs (F72274-17)
- Letter of Intent template (F72274-28)

## Additional resources

Daily life brings unique challenges and joys for families with special needs children – and there are many organizations and resources available on a wide range of topics to assist, including:

- Disability
- Advocacy
- Family support
- Education
- Health
- Life transitions

As a starting point, you and your clients can visit these government websites for helpful information:<sup>6</sup>

**Administration for Community Living**

[acl.gov/programs/aidd](https://acl.gov/programs/aidd)

**Centers for Medicare & Medicaid Services**

[cms.hhs.gov](https://cms.hhs.gov)

**U.S. Department of Labor: Office of Disability Employment Policy**

[dol.gov/odep/topics/disability.htm](https://dol.gov/odep/topics/disability.htm)

**Social Security Administration: Benefits for Children with Disabilities (pdf)**

[ssa.gov/pubs/10026.html](https://ssa.gov/pubs/10026.html)

**Social Security Administration: Supplemental Security Income**

[ssa.gov/ssi/index.htm](https://ssa.gov/ssi/index.htm)



## Learn more

Contact our Life Sales Support Team today:

**1-877-696-6654** (Securian Financial and broker-dealer)

**1-888-413-7860**, option 1 (independent brokerage)

6. This list is provided for informational purposes only and should not be considered an endorsement of services or entities.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Guarantees are based on the claims-paying ability of the issuing insurance company.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first 15 years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

This material may contain a general analysis of federal tax issues. It is not intended for, nor can it be used by, any taxpayer for the purpose of avoiding federal tax penalties. This information is provided to support the promotion or marketing of ideas that may benefit a taxpayer. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

These materials are for informational and educational purposes only and are not designed, or intended, to be applicable to any

person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. Securian Financial Group, and its affiliates, have a financial interest in the sale of their products.

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues. Securities and investment advisory services offered through Securian Financial Services, Inc. Member FINRA/SIPC.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its affiliates. Minnesota Life Insurance Company and Securian Life Insurance Company are affiliates of Securian Financial Group, Inc.

**For financial professional use only. Not for use with the public.**

This material may not be reproduced in any way where it would be accessible to the general public.



INSURANCE  
INVESTMENTS  
RETIREMENT

[securian.com](https://www.securian.com)

400 Robert Street North, St. Paul, MN 55101-2098  
©2021 Securian Financial Group, Inc. All rights reserved.

F72274-15 Rev 1-2021 DOFU 1-2021  
1458749