Provided by Michael J Sousou, a SPECIAL CARE PLANNER Coastal Financial Strategies, courtesy of Massachusetts Mutual Life Insurance Company (MassMutual). Local sales agencies are not subsidiaries of MassMutual or its affiliated companies.

Creating a Life Care Plan for the Four Stages of Life

A good financial strategy helps you to be prepared for life's needs:

- ***budgeting daily and monthly expenses,***
- ***saving for large expenditures like home buying and college,***
- ***living a full and active life after retirement,***
- ***creating a legacy for future generations and charitable giving.***

A life care plan, however, does much more. It's a strategy for lifelong care of a specific person, such as a child with special needs – care that incorporates more than financial concerns and continues long after you're gone. While many parents of children with special needs may have addressed one or two aspects of a financial strategy, such as taking care of their wills and establishing a trust, few have a comprehensive strategy. A financial professional with experience in this field can help your family take an honest look at your current financial situation and suggest manageable steps. A financial professional can help identify two or three high priority concerns and address those first, with the intent to address all your concerns over time. Good planning helps avoid having to make uninformed decisions under duress later, such as having a judge name a guardian because you have not selected one.

Creating your life care plan

A life care plan grows and changes over a lifetime. Let's take a look at some of the concerns you may have and the actions you may want to take at each of four life stages.

Stage one: Birth to age 3

When your child is first diagnosed with a special need, you may be overwhelmed with strong emotions—fear, guilt, anxiety, frustration. You may wonder how you'll manage. As complicated as your life may seem, take it a step at a time.

- Begin by building your support network – friends, family, medical providers, spiritual advisors, government case workers, parents of children with similar needs, legal and financial professionals, and others.
- Connect with organizations related to your child's disability or illness. Learn about the Individuals with Disabilities Education Act and the legislation regarding early intervention at http://idea.ed.gov.
- Seek out legal and financial professionals who specialize in serving people with special needs, such as a Special Care Planner[(1)], a special needs attorney, or a financial services professional with specialized training.
- Evaluate your income (might one spouse quit work?),

- Evaluate your anticipated expenses (medical, increased travel to appointments, therapy, day care for your child),
- Study your spending habits and make appropriate changes (conserving energy, carpooling, reducing impulse spending, etc.),
- Create/review your budget,
- Save for planned and unexpected expenditures,
- Begin creating your life care plan, including a will and possibly a special needs trust,
- Create a letter of intent (a document detailing the personal, medical, and social aspects of your child so others can provide care if you can't).

Stage two: Age 3 to 17

- Work with your child's school to develop an Individualized Education Program (IEP). Ask your accountant about tax breaks for certain schools and educational expenses.
- Begin investigating transitional opportunities – education beyond high school, employment, housing, transportation, and recreation – and possible guardianship.
- Since assets of over $2000 in your child's name may make him or her ineligible for Supplemental Security Income (SSI) benefits[(2)], check every account you have money in and think about everything you have with a named beneficiary, including employee benefits and pensions from previous employers.
- Tell others about your strategy so they don't inadvertently do the wrong thing, such as name your child in a will.

Stage three: age 17 to your retirement

In this stage, you'll help your child learn life skills for self-sufficiency at the highest level he can achieve. Separate living accommodations may mean additional expenses. Continue planning for your own retirement, college for other children, and other expenses.

Stage four: from your retirement until your child's death

When you begin collecting Social Security, your child may qualify for the Disabled Adult Child benefit (DAC) —a benefit equal to half the monthly amount of your retirement benefit. (This would replace any SSI but might be greater.) If you've taken the necessary steps, your financial strategy, along with the personal aspects of the life care plan you've created – all you've done to establish a comfortable and supportive adulthood for your child – will allow you to continue to advocate for your child even after your death.

The information provided is not written or intended as specific tax or legal advice. MassMutual, its employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

[(1)] The Special Care Planner, a title used by MassMutual financial professionals, who have received advanced training and information in estate and tax planning concepts, special needs trusts, government programs, and the emotional dynamics of working with people with disabilities and other special needs and their families. The certificate program was offered by The American College in Bryn Mawr, PA, exclusively for MassMutual financial professionals. Additionally, a designation of Chartered Special Needs Consultant (ChSNC™), which evolved from the certificate program, is now offered through the American College for financial professionals. MassMutual financial professionals who have completed the certificate program, or received the ChSNC designation can use the Special Care Planner title.

[2] *For information about SSI go to http://www.ssa.gov/ssi/. Information is available by telephone, mail, in person or at an office. The toll-free number is 1-800-772-1213.*

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