



*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 Residential Option for Your Child**

We all want our children, whether they have special needs or not, to be as self-sufficient as possible. When they move away from home, we're happy for them, but we can't help feeling sad or worried to see them go. Today, because of medical advancements and better educational opportunities, more people with special needs are able to live independently – or somewhat independently. The marketplace is responding to that increased demand with a variety of housing models. Families are also being proactive, uniting to create homes their children can share.

### **The Growing Housing Market**

The housing industry for people with special needs is evolving somewhat as education did in the recent past. Whereas at one time educational opportunities for children with special needs were limited, today special education is an expected right. Likewise, the housing market is evolving: many different models are emerging, some paid for by families, some funded by government programs. If you're considering establishing a residential option for your adult child, here are some things to keep in mind:

- ***Type of residence and locale*** – Should it be a house, an apartment in a multi-family house, a unit in an apartment complex, a condo? Does it need to be wheelchair accessible?
- ***Transportation*** – Is public transportation available? Would your child need a car or van? Or should transportation be included in the list of tasks the home's service providers perform?
- ***Employment*** – Will your child work or volunteer? What constraints will employment place on creating this home?
- ***Social/recreational desires and hobbies*** – Is the home near family and friends? Are entertainment venues nearby? Is entertaining at home feasible? Would your child benefit from access to a yard for gardening or recreation?
- ***Shopping needs*** – How will your child shop for clothes, food, and other items? Are stores conveniently located?
- ***Services*** – What assistance will your child need on a daily, weekly, or monthly basis? What type of service providers will you need? Will the home accommodate a live-in caregiver?
- ***Other residents*** – Will your child have housemates? If so, residents should have similar interests and support needs. No more than four to six people per household is probably ideal. Having one lead family manage the home usually works better than several families trying to come to consensus on the many issues and decisions that need to be faced over the years.
- ***Rest of life issues*** – How will this home meet your child's long term needs?

### **If You Plan To Build or Renovate a Home**

- Check for any county or city ordinances you'll need to deal with regarding home modifications and building codes.
- Talk with builders who specialize in this type of housing.
- Also talk with your medical providers, your special needs attorney, and your financial professional before you begin.

### **More financial considerations**

- Some home modifications may be deductible if properly documented and medically scripted.
- A mortgage-free home you already own, if used for the residence; you may want to consider transferring to a trust or special needs trust.
- The property should not be in the name of the adult child residing in the home.
- Funds in a special needs trust should not be used to pay for a home or a mortgage, although another trust might be established for that purpose.
- Your child's eligibility for government benefits may change if your child lives on his or her own and earns income.
- When you retire and begin to receive your Social Security benefit, your adult child with special needs also receives a benefit.
- Funds from a special needs trust may be used to pay for service providers as part of your residential solution.
- After you die, the benefits from a life insurance policy (with your child's special needs trust or your child's guardian named as beneficiary) can continue to help pay personal expenses for your child.

### **Persevere and Depend On Others**

Creating a residence for your child may involve a great deal of work, but may also bring great rewards. Be sure to brainstorm with your team of experts as you establish the home—and at least annually thereafter—to discuss concerns, reveal issues that may otherwise go unnoticed, and review options. Involve your child as fully as possible in decision-making about what will be a major milestone in his or her life.

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*<sup>(1)</sup> 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.*