

# What Is The Purpose of “Special Needs Planning”?

By Zeke Zimmerman

[www.TheTimeToPlanIsNow.com](http://www.TheTimeToPlanIsNow.com) Blog Article, October 2021

*The value of benefits and services can be tremendous  
– as is the difficulty of restoring them if eligibility is lost*

What is the first thing that comes to mind when you think of “Special Needs Financial Planning”?

For many people we speak to, the answer often has something to do with Special Needs Trusts, also known as Supplemental Needs Trusts or SNTs. SNTs are a very important tool in proper planning for the ongoing care and support of a loved one with a disability.

***The #1 purpose of special needs planning is to ensure and protect our loved ones from being financially disqualified or being deemed ineligible to receive vital government benefits, supports and services such as Supplemental Security Income (SSI) and Medicaid.***

SSI and Medicaid are both means-tested entitlement programs, meaning a person cannot receive those benefits if they have more than a certain amount of assets in their own name, or make more than a certain amount of income every month. And as the asset limits are so small in both cases – only \$2000 for an individual or \$3000 for a married couple – you can imagine how easy it can be to exceed that limit because of something like an unexpected small inheritance or unplanned income.

Though the asset limits for SSI and Medicaid are small, the value those programs provide is much greater. SSI provides vital cash benefits every month to pay for food and housing, while Medicaid covers medical care as well as housing, transportation, therapies, day and community programs, job placement and vocational supports, and so much more.

**These programs combined can easily be worth over \$100,000 a year, or millions of dollars over the lifetime of an individual with a disability!**

Each dollar provided by programs such as SSI and Medicaid means one less dollar that we have to spend for those needs out of our own pockets. That lets us put that dollar to other important uses that can include saving for our own needs, getting ready for our own retirement, funding the special needs trusts and other planning tools, and planning for our non-disabled children.

For many of us, we don't know what the future will be like for our loved ones. Maybe they will thrive on their own, maybe they will need some support, maybe they will need a lot of support.

So even if your loved one is not using those services yet – maybe because they are young and in school, and not yet in the world of adult services – the last thing we want to do is to close the door on them being able to rely on these benefits in the future when they may be so necessary and helpful.

Yet all of that can all be lost in an instant simply because we forgot to remove that individual as a beneficiary on one of our accounts, leaving that person in the terrible situation of losing the support of essential programs that they rely on, and with future caregivers scrambling to find answers and do damage control.

Special Needs Trusts are legal vehicles that can hold assets for an individual's benefit without those assets counting against the limit testing for SSI or Medicaid. The trust is able to be named as the beneficiary of our accounts so funds do not pass directly to our loved ones in any way that would disqualify them from their entitlements., allowing the individual the ability to take advantage of those important programs and still have other resources set aside for them to enhance and enrich their lifestyle and elevate their capabilities and future potentials.

We hope that someday we can live in a world where all of our children and loved ones will always have access to all the care and supports they need to live their best possible lives, no matter what. But until that day comes, it is important to understand the importance of Special Needs Planning.



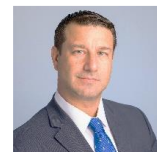
**THE TIME TO PLAN IS NOW**

THE BEST TIME TO PLANT A TREE  
IS 30 YEARS AGO, AND TODAY.

**The Time To Plan Is Now!**

[www.TheTimeToPlanIsNow.com](http://www.TheTimeToPlanIsNow.com)  
[www.facebook.com/TheTimeToPlanIsNow](https://www.facebook.com/TheTimeToPlanIsNow)

Certified Financial Services  
Paramus, New Jersey and New York, NY



Ezekiel "Zeke"

Zimmerman, MBA, CLTC

[zeke.zimmerman@cfsllc.com](mailto:zeke.zimmerman@cfsllc.com)