

## Financial Planning

### A guide for caregivers

#### How can I assist my adult disabled child with decisions involving money?

The following are a variety of ways you may be able to help your child with financial decision making:

#### **Banking arrangements**

You may be afraid of someone causing your child to make poor decisions such as opening credit cards or running up large bills.

Automatic deposits keep cash from going directly to your child. Automatic payments can be set up for regular expenses like utilities.

Your child's bank may have other options that allow you to help your child. Your child could allow you to have a "view only" status on their bank accounts and have the bank send you alerts about activity on the account. You could also be an approved signer on your child's accounts, allowing you to make transactions yourself.

Your child's bank account can be set up as a joint account with you, but this option may affect your credit if there is a problem and might cause conflict with your child.

#### **SSI Representative Payee**

If your child is unable to budget and responsibly manage their money and the only income your child will get is a monthly SSI benefit, you or someone else can be assigned to be the SSI representative payee. In this case the SSI payments will be made to the payee and that person can pay bills and distribute money to and for your child.

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### Financial Power of Attorney

If your child can understand giving you power to make decisions for them, they can complete a financial power of attorney. A financial power of attorney gives someone else the authority to manage their money matters. The power of attorney can monitor bank accounts or debit card transactions and close accounts if necessary.

### Special savings accounts

#### STABLE Accounts

A STABLE account is a bank account that can help you save money without losing benefits and pay less taxes. The money in a STABLE account must be used on certain expenses for the person with disabilities like daily expenses, education, housing, transportation, health care, assistive technology, and other approved expenses.

#### PASS Accounts

Social Security's Plan to Achieve Self-Support (PASS) program lets people who get SSI earn more money and save that money in a special type of account. There are two main benefits:

- you can save money without losing your SSI benefits and,
- the income you put into your PASS won't be counted as income by SSI, so it won't make your benefits amount go down.

The money in your PASS account that you save must be used for a work-related goal you choose, such as: the cost of school or training; starting a business; or paying for equipment, support services, and other expenses related to your goals.

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#### **Trusts**

A trust called a Special Needs Trust can be set up to hold assets for a person with a disability. When in a Special Needs Trust, assets do not affect the person's eligibility for programs like Supplemental Security Income (SSI), Medicaid, and housing assistance programs. A trustee would oversee distributing the money to the person with disabilities.

#### **Guardianship of the Estate**

If a person with a disability cannot take care of their property with the other options discussed above, a person can ask the probate court for guardianship of the estate. The person the guardian cares for is called a ward. Guardianship of the estate appoints someone to control and protect the property of the ward. Guardianship of the estate gives the guardian the authority to make all money related decisions for the ward.

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### Call to Action!

#### Financial planning for now and in the future

What are some of the things your child will need help with when it comes to finances? Maybe they just need some help with paying bills, or maybe they need someone to be in charge of all of their money and how they spend it. Maybe it is somewhere in between. Jot down some thoughts here:

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Think about what support you want when planning for your child's financial future. Do you need legal help from a lawyer? Are there family or friends who can help? Jot down some thoughts here:

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