

# Planning for Parents with a Disabled Adult Child

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## **Buy enough life insurance**

A parent of any child is irreplaceable, but in the case of a disabled adult child, older adult parents are faced with the challenge of deciding how best to care for their child in the event of their passing. In that case, someone will have to fill in, such as siblings or other relatives. Likely, that family member will have to pay for at least some services the parents had provided when they were able. If the estate is not large enough for this purpose, it can be made larger through life insurance proceeds. Premiums for second-to-die insurance (which pays out only when the second of two parents pass away) can be surprisingly affordable.

## **Set up a trust**

Any funds left for a child with special needs, whether from an estate or the proceeds of a life insurance policy, should be held in trust for their benefit. Leaving money directly in the name of someone with a special need may jeopardize public benefits. This strategy also can cause complications as many people with special needs cannot manage funds – especially large amounts. Another strategy is when families disinherit children with special needs, relying on their siblings to care for them, though this approach also is fraught with potential problems such as siblings being sued, getting divorced,

disagreeing with their responsibilities, or running off with the funds. It also can cause tax problems for the siblings. The best approach is a trust fund specifically designated for the child with special needs.

### **Create a Will and appoint a guardian**

While a Will and the appointment of a guardian is important for anyone with minor children, it is even more so if the child has special needs. Finding the right guardian can be difficult. In some cases, the care needs of the child may be so demanding that he or she will need a different guardian besides his or her siblings. The parents need to make these determinations while they can. The Will is the vehicle for the appointment of a guardian. An adult child also may require a guardian when the parent can no longer serve in this role (whether officially appointed or not) and it will probably not be legally possible to officially appoint a successor guardian once the parent is out of the picture. Therefore, it may make sense to begin making the transition to a new guardian while the parent is able to assist in the process. This can be in the form of a formal co-guardianship or transitioning the role to a successor guardian.

### **Write down the care plan**

All parents caring for children with special needs are advised to write down what any successor caregiver would need to know about the child and what the parents' wishes are for their care. Should the child reside in a group home, with a sibling, or be on their own? Usually, the parents know best, but needs to pass on the information. The memo or letter can be kept in the attorney's files with the parents' estate plan.

### **Coordinate with other family members**

Even a carefully developed plan can be sabotaged by a well-meaning relative who leaves money directly to the child with a special need. If a trust is created for the benefit of the

child, grandparents and other family members should be told about it so that they can direct any bequest they may like to leave to that child through the trust.

Adults with disabilities are living much longer than in the past, which means their aging parents must plan for the day when their dependent children outlive them. Reach out to a qualified estate planning attorney to help.

*The information contained in this article is not intended to make you an expert on estate planning nor is this article intended to replace the need for the advice of a professional. Rather, this article is simply intended to provide a basic understanding of why estate planning is important for everybody and a basic understanding of some of the more common estate planning tools. This article does not constitute legal advice.*