



# Financial Wellbeing

FINANCIAL PLANNING & GUIDANCE

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## **SPECIAL NEEDS TRUST PLANNING WORKBOOK™**

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## 1. Entitlements & Benefits

### Child Benefit (€                    per month)

This is a payment to the parents of children under 18-years of age when their child is in full-time education. If your child is under the age of 18, but is not in full-time education then you will be entitled to Child Benefit if he/she has special needs.

### Domiciliary Care Allowance (€                    per month)

First step in all special needs entitlements is Domiciliary Care Allowance. Your child must have a disability that he/she requires care and supervision substantially in excess of another child of the same age. This care must be provided to allow your child to deal with the activities of daily living. Eligibility is based on the resulting lack of function of body or mind, which means your child, needs extra care. It's not a Means Test payment but, as always, there are some criteria.

### Carer's Allowance (€                    per week)

Your child must require additional support because of age, illness, physical or learning disability. In order to receive your payment you must not be engaged in employment or education courses for more than 15-hours a week. The Carer's Allowance is Means Tested; the first €665 of a couple's weekly income is disregarded. Pension contributions, travel to work and PRSI can be deducted. This is a taxable source of income.

### Carer's Benefit (€                    per week)

A parent who gives up full-time work to look after their child with special needs can receive this payment. It is not Means Tested, but is based on your PRSI contribution & classification. You must have been employed for at least 8 weeks in the previous 26 week period. You will receive your payment for up to 2 years and can work up to 15-hours (earn: €332pw). This is a taxable source of income.

### Respite Care Grant (€                    per year)

The Respite Care Grant is a tax free payment made in June of each year for each child/person that you are a nominated Carer of. This payment is not Means Tested or a taxable source of income. If you are in receipt of Carer's or Domiciliary Care Allowance then you will automatically receive this grant.

### Incapacitated Child Tax Credit (€                    per year)

A credit can be claimed by a parent in respect of a child who has special needs. However, it should be noted that when the disability can be treated by the use of a device, medication, or therapy, then the Revenue deems your child's condition as not permanent. This credit is available after your child turns 16 in certain circumstance.

### Medical Expenses (€                    2013)

You can reclaim some of the medical expenses you and your family incur. This is done through a tax refund at standard rate. You can only claim for medical expenses if you have receipts to prove your claim. All receipts must be kept for 6 years. If your child has special needs, you may claim additional tax relief on; professional fees, hygiene products, excessive hospital travel, overnight accommodation and telephone allowance.

### **Home Carer's Tax Credit** (€                      per year)

You can claim this tax credit if you are married and if one of you is a stay-at-home parent. The criteria is that, you must be in receipt of Child Benefit, and that one of you does not earn over €6,700 per year, this also excludes any Carer Allowance.

### **VAT Relief** (€                      2013)

You may claim a refund on VAT for certain equipment, aids and appliances used by your child to help with independent living. The rule is that it must be specifically for your child and assist them in some way. Some examples would be disable bathroom, disable chairs and communication aid.

### **DIRT Tax Relief** (€                      2013)

You can get your child's deposit interest paid without the deduction of DIRT or a DIRT refund, if your child has special needs. Your child's tax credits for the year must not exceed the tax that would be chargeable on their income for the year.

### **Homemaker's Scheme** ( Yes or No )

You can claim credits towards your PRSI if you have given up work to take care of a child who has special needs. Years spent out of the workforce, looking after your child, are credited. Credits are awarded at the same rate as your last paid PRSI contribution.

### **Medical Card** ( Yes or No )

A Medical Card allows you and your family to receive certain health services free of charge. The criterion is that you will have to qualify under means testing but there are some exceptions. The weekly income limit for married couples with two children is approximately €342 per week. Reasonable expenses incurred in respect of childcare costs, travel to work and rent/mortgage payments will also be deducted.

### **GP Visit Card** ( Yes or No )

If your income is above the threshold for a Medical Card, you may still be entitled to a GP Visit Card because the income limits are generally 50% higher than for the Medical Card. This entitles you to free GP visits but you will have to pay for any subsequent medication.

### **Long Term Illness Card** ( Yes or No )

If your family is not eligible for a Medical Card or a GP Visit Card, your child with special needs may still get an individual Long Term Illness Card. This has nothing to do with income but is based on your child's medical condition. This allows your child to get medicines directly related to the treatment of their illness, free of charge.

### **Drugs Payment Scheme** ( Yes or No )

This is not means tested and is solely based on a family not having to pay more than €144 per month on all prescriptions. Remember to keep all medical receipts to claim back against your tax bill each year.

### **Diet Supplement Scheme** ( Yes or No )

If your hospital consultant has prescribed a special diet for your child, then it may be possible to claim an allowance from your health board. This scheme is means tested and you must be in receipt of a social welfare payment. Alternatively you can claim it as a health expense on your Med 1 Form.

### **Free Nappy Scheme** ( Yes or No )

This scheme provides nappies free of charge to children who have special needs and are of age 3 years and upwards. The supply is restricted and is administered by your local HSE centre in conjunction with your local health nurse.

### **Free Travel Pass** ( Yes or No )

Free travel is available on all State public transport. You can travel on a number of services that are operated by private bus companies, but you need to check this out for yourself. There are no restrictions on the times at which you can use your pass.

### **Household Benefits Package** ( Yes or No )

If you are entitled to Carer's Allowance, then you may also be entitled to the Household Benefit Package. This is made up of a utility allowance which covers electricity; alternatively you can use your credit towards your gas bill. From 2013 the rate is €35 per month and a free TV licence.

### **Housing Adaptation Grant** ( Yes or No )

The grant will pay for necessary building works to render a house more suitable for the accommodation needs of a person with a disability. A maximum grant of €30,000 (covering up to 95% of works), it is available to applicants with gross household incomes of up to €30,000 per annum. A grant is still available to applicants with incomes above €30,000 but this reduces on a sliding scale. All parents can apply for the VAT relief on the renovations even if they don't qualify for the Grant.

### **Disability Passenger Scheme** ( Yes or No )

Tax relief is available to buy an adapted vehicle for the purpose of transporting your special needs child. If you qualify, you can also claim repayment of excise duty on fuel used in your vehicle, up to a maximum of 600 gallons per year. In addition, your vehicle may be exempt from the payment of annual road tax. The conditions for qualifying are strict and do have written confirmation before you make a purchase. A primary medical certificate is your first step.

### **Disabled Parking Card** ( Yes or No )

The Disabled Person's Parking Card is for drivers or passengers with disabilities. Card holders can park in disabled parking spaces. The card is mostly for people whose disability affects their mobility and who currently hold a Primary Medical Certificate.

### **Transport Grant** ( Yes or No )

The Department of Education and Skills provides school transport services for children with special needs to travel to school. The School Transport service may not be available in all areas. If so, you may be eligible for a transport grant to help with the cost of making private transport arrangements. The level of grant varies according to the distance from your school. To apply, speak to the school SENO.

### **Disability Allowance** (€ per week)

As your child with special needs grows up, your Domiciliary Care Allowance will cease when they reach 16. Then it is time to apply for the Disability Allowance. This is a Means Tested payment for people with disabilities who are unable to work. Unlike the Domiciliary Allowance, **your child's income and capital is taken into account.**

## **2. Special Needs Will**

The purpose of this section is to give you a broad understanding of the legal issues you need to address prior to visiting your solicitor.

### **1) Will your child be in receipt of a mean tested entitlement in the future?**

Yes= Special Needs Will

No = Standard Will

### **2) Is your Will set up correctly to protect your child's future access to entitlement?**

( Yes or No )

#### **Special Needs Trust**

- Sole benefit of your special needs child
- Your child doesn't own the money in the trust
- Money can only be used for the benefit of your child
- It doesn't impact on any of your child entitlements
- Prevents your child being made a Ward of Court
- Benefits from tax exemptions
- Improve your child's quality of life

#### **Guardians**

A family discussion needs to take place, to openly discuss the best Guardians for your child in the event of you passing away. Guardians would then be the carers of your child and would take over the parents' role of ensuring your child is cared for. I recommend selecting two Guardians.

Guardian 1: \_\_\_\_\_ Guardian 2: \_\_\_\_\_

#### **Trustee**

A trustee would manage the financial affairs of your estate. They will be responsible for key investment decision and ensuring all money is spent wisely. You will need to nominating individuals who are good at investing and can understand financial risk, return, charges and tax. I recommend selecting two Trustees.

Trustee 1: \_\_\_\_\_ Trustee 2: \_\_\_\_\_

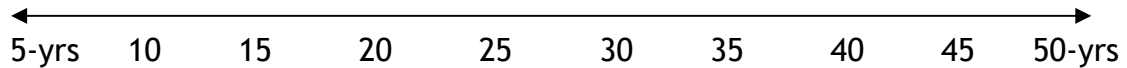
#### **Letter of Wishes ( Yes or No )**

Nobody knows or understands your child better than you and it is vital that you pass on this knowledge to your child's Guardians and Trustees. It is not a legally binding document unlike your Will. However, it does provide valuable information that can help the next caregiver understand what he/she can do to improve the quality of your child's life.

*Financial Wellbeing recommends getting personalised legal advice when completing this section.*

### 3. Quality of Life

1) How many years do you assume your child will outlive you?



2) How much of a fund do you predict that your child will need to have a decent quality of life after you have passed away?

<p><b>Amount Needed</b></p> <p>€</p>
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#### Funding the Future

The amount of entitlement you can put away for your child's future will be a defining factor in the quality of life of your child after you have passed away. The earlier you start, the larger the fund you can build up. On average your child will receive €450,464 in Domiciliary & Disability Allowance before they reach retirement age.

<u>ENTITLEMENTS</u>	<u>Yearly</u>	<u>Timeline</u>	<u>Lifetime</u>
<b>Domiciliary Care Allowance</b>	<b>€3,714</b>	<b>0-16 Years</b>	<b>€59,424</b>
<b>Disability Allowance</b>	<b>€9,776</b>	<b>16-66 Years</b>	<b>€391,040</b>

<p><b>Total Saved</b></p> <p>€</p>
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3) What amount of your child's entitlement can you invest for their future?

<u>ENTITLEMENTS</u>	<u>Weekly</u>
<b>Domiciliary Care Allowance</b>	<b>€72</b>
<b>Disability Allowance</b>	<b>€188</b>

<p><b>Amount</b></p> <p>€                      per week</p>
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## **4. Funding A Trust**

We all know it is important to save for your child's future but the government have placed a few barriers in your way.

### **Saving Issues**

- Any savings you have in your child's name will be mean tested when applying for Disability Allowance and Medical Card
- Any saving in the parent's name will be mean tested when applying for Carer Allowance or Medical Card
- Saving policies bring an element of risk with your money
- DIRT tax on all savings and investments is now 41%

### **Life Cover Issues**

- Problem with traditional life cover is that it will usually finish before you reach retirement age
- Life cover works on the principle that it is unlikely to ever be paid out
- Some life policies promise to pay out but you will eventually get back less than you put in, unless you die prematurely

### **Solution - Trust Life Policy**

- A Trust Life Policy is specifically designed to fund a Special Need Trust
- When a parent dies it will pay out a lump sum of money into a Trust Fund
- The premiums are fixed and will not change as you get older
- Premium paid for a set number of years (usually till you reach 65)
- The policy is still alive after 65 but you will not be paying a premium
- Policy will pay out when each parents pass away
- Premiums are paid from your child's current entitlements
- It doesn't affect you or your child's future entitlements
- Additional lump sum if premature death
- No risk or DIRT tax unlike saving policies
- Lump sum paid out within days
- Money is deposited in to the Trust when it is most needed (after your death)
- Improves the child's future quality of life

### **Trust Steps**

- 1) Meeting arrange to discuss options
- 2) Complete medical questionnaires
- 3) Process the application form on your behalf
- 4) Financial Wellbeing checks all documents
- 5) Trust Life Policy funds the Special Needs Trust



## 5. Your Trust Fund

This section is to give you an estimate of how much it will cost to set up a trust life policy. This will guide you on the size of fund you can have for your child. All figures are based on non-smoker rates & cost per week.

<b>AGE</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>
<b>€100,000</b>	12	13	13	14	14	15	16	17	18	18	19	20	22	23	25
<b>€70,000</b>	9	10	10	11	11	11	12	12	13	13	14	15	16	17	18
<b>€50,000</b>	6	7	7	7	8	8	9	9	10	10	11	11	12	13	13
<b>AGE</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>
<b>€100,000</b>	26	28	30	33	35	38	42	46	49	54	61	68	77	88	101
<b>€70,000</b>	18	20	22	23	25	27	29	32	35	39	43	49	55	61	71
<b>€50,000</b>	13	14	16	17	18	19	21	23	25	28	31	34	40	45	51

**Option 1: €100,000 Trust Fund = € \_\_\_\_\_ per week**

	<b>Event</b>	<b>Amount</b>	<b>Total</b>
A	If Dad & Mum dies after retirement	€50,000 €50,000	€100,000
B	If one of you dies before retirement The second person dies after retirement	€100,000 €50,000	€150,000
C	If Dad & Mum dies before retirement	€100,000 €100,000	€200,000

**Option 2: €70,000 Trust Fund = € \_\_\_\_\_ per week**

	<b>Event</b>	<b>Amount</b>	<b>Total</b>
A	If Dad & Mum dies after retirement	€35,000 €35,000	€70,000
B	If one of you dies before retirement The second person dies after retirement	€70,000 €35,000	€105,000
C	If Dad & Mum dies before retirement	€70,000 €70,000	€140,000

**Option 3: €50,000 Trust Fund = € \_\_\_\_\_ per week**

	<b>Event</b>	<b>Amount</b>	<b>Total</b>
A	If Dad & Mum dies after retirement	€25,000 €25,000	€50,000
B	If one of you dies before retirement The second person dies after retirement	€50,000 €25,000	€75,000
C	If Dad & Mum dies before retirement	€50,000 €50,000	€100,000

## 6. Personal Loans

The better financial position you are in, the greater financial support you can give your child later in life. Debts are the main barrier to financial security. If possible, you should never borrow and always pay for items from savings. Any credit card must be on full balance clearance every month by direct debit.

Financial Institution	End Date	Rate %	Remaining Balance	Monthly Payment	Purpose

Current Situation: \_\_\_\_\_

Action: \_\_\_\_\_

## 7. Saving Account

The purpose of a nest egg is easy access to money in emergency situation such as loss of job, accident, sickness, unforeseen event. All other saving needs must be accommodated separately. Ideally a nest egg of 6-months' salary should be set aside.

Financial Institution	Start Date	End Date	Current Value	Monthly Payment	Fund Type

Current Situation: \_\_\_\_\_

Action: \_\_\_\_\_

## 8. Family Protection

Insurance Company	Start Date	End Date	Current Value	Monthly Payment	Product Type

Life & Serious illness policies are designed to pay-out a tax-free lump sum in the event of you been diagnosed with a serious illness or upon your death. Beware of the small print in whole of life & serious illness polices.

Current Situation: \_\_\_\_\_

Action: \_\_\_\_\_

## 9. Retirement Planning

Insurance Company	Start Date	Retirement Date	Current Value	Monthly Payment	Fund Type

Pension have been given a great deal of bad press and rightly so in most cases. But when you have a child with special needs then safe low risk pensions become extremely important.

Current Situation: \_\_\_\_\_

Action: \_\_\_\_\_

## 10. Mortgage Advice

Financial Institution	Start Date	Term left	Rate %	Remaining Balance	Monthly Payment	Product Type

Parents need to focus on clearing their mortgages earlier. This will open up many options going forward. Annually, I recommend a strategy of saving a lump sum and reducing the capital. The term should always be maintained but the capital reduced.

Current Situation: \_\_\_\_\_

Action: \_\_\_\_\_

## 11. Action Plan

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_

## 12. Special Needs Trust Plan™

As a parent of a son or daughter with special needs, you must set up and fund a “Special Needs Trust.”

This will ensure your child doesn't lose their entitlements and can maintain their quality of life after you have passed away.



### Professional Guidance

- 90-minute consultation to discuss your plan
- Guidance on when to set up a Special Needs Trust
- Options on how best to fund your Special Needs Trust
- Advice on Wills to protect your son or daughter's future
- Assistance in completing Financial Wellbeing's Letter of Wishes
- Co-ordinating with your Solicitor to complete your Will & Trust

### Plus;

- Assistance in applying for unclaimed entitlements
- Information on changes to your entitlements as your child gets older
- Special Needs Guidance on your personal finances
- 2<sup>nd</sup> Consultation to present your tailored Special Needs Trust Plan™
- Unlimited email & phone aftercare support

**Total Package Fee = €300**

**Clinic** –We hold Trust Planning Clinics all over Ireland at different times of the year. To book your place please complete “Expression of Interest Form”

I look forward to securing you child's future quality of life.

Yours sincerely,

A handwritten signature in blue ink, which appears to read "Allan Cuthbert". The signature is written in a cursive style and is positioned above a horizontal line.

Allan M. Cuthbert QFA  
Special Needs Trust Planner

### 13. Expression of Interest Form

If you would like to be contacted to discuss the possibility of having a tailored Special Needs Trust Plan™, please complete this form.

Parents' Names:

Address:

Tel: \_\_\_\_\_ Mob: \_\_\_\_\_

Email: \_\_\_\_\_

What is your child's name and age?

What medical conditions has your child been diagnosed with?

Do you have a Will & Special Needs Trust in place?

How much per week of your child's entitlement do you want to invest for their future?

Please tick the boxes you are claiming:

<u>Entitlements</u>	<b>Tick</b>	<u>Credits</u>	<b>Tick</b>
<b>Child Benefit</b>		<b>Incapacity Tax Credit</b>	
<b>Carer's Benefit</b>		<b>Home Carer Tax Credit</b>	
<b>Carer's Allowance</b>		<b>Home Maker Scheme</b>	
<b>Domiciliary Allowance</b>		<b>Family Supplement</b>	
<b>Respite Grant</b>		<b>Medical Expense Relief</b>	
<b>Medical Card</b>		<b>Disability Passenger</b>	
<b>Drug Payment</b>		<b>Household Package</b>	
<b>Vat Relief</b>		<b>Employing a Carer</b>	
<b>Diet Supplement</b>		<b>Housing Adaptation</b>	
<b>Disable Parking Card</b>		<b>Hospital Expense</b>	
<b>Back to School</b>		<b>Long Term Illness</b>	
<b>Disability allowance</b>		<b>Travel Pass</b>	

What financial areas do you need most guidance on?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_