

# TRUST PLANNING

*workbook*



Financial Wellbeing  
SPECIAL NEEDS TRUST PLANNING

## Meet The Team



*Allan, David & Dolores*

### **DOLORES CROWLEY'S STORY**

I have 3 children, David aged 24 and twins, Sean & Kate who are 19. David was born prematurely at 28 weeks and weighed in at just under 2lbs. As we were both in intensive care at different hospitals, I did not hold him until he was nearly 3 weeks old. He had suffered from a brain haemorrhage and his lungs had collapsed. His skin was transparent, he was not able to take a bottle, he had lost weight and was on a machine to help him breathe. Yet, when I eventually got to hold him, I thought he was the most beautiful baby I had ever seen in my life. My only wish was for him to breathe, as I held him. It didn't matter what the consultants/nurses/doctors told me, I just needed him to live.

I love David as I do all my children, but I most definitely have greater concerns for his future. I am involved in Financial Wellbeing because I feel I can understand parents, having been a Carer for my mum for over 15-years before David was born. I want to be there to give parents the knowledge that I have attained as a Carer.

### **DAVID CROWLEY'S STORY**

I started working with Financial Wellbeing in October 2014. I ask people to sign up to our free monthly newsletter and get the names and the email address of the people we meet at different events. I add these names to the database and I proof-read our newsletter to check for any spelling mistakes.

I attend all the workshops and I do the opening and closing formalities. I also organise the sat-nav so we can find the venues and I prepare the room for the workshop. I like to wear my Financial Wellbeing t-shirt. I like to go for a cup of tea with Allan and Dolores and we discuss how the workshops went. I write articles about different things that I find interesting, I hope everyone likes these articles.

### **ALLAN CUTHBERT'S STORY**

I am married to Lisa and we have two children, Zara is 16 and Ryan is 14. My niece Laura was born in 2000 with Down Syndrome and this was our family's first introduction into the special needs world. It wasn't until years later that I realised the financial pressures that is put on a family with child who has additional needs. It shocked me how difficult it was for my brother Pierce, and other parents, to gather information and professional advice, not only on finance but on lots of aspects of their child's care.

That was when I decided that I wanted to make a difference. I founded Financial Wellbeing in 2008, a company dedicated to Special Needs Trust Planning. It gives me great joy to help ease the financial worries of parents who are raising a child with additional needs. This is my way of helping parents who are constantly faced with difficult choices and challenges. I hope this workbook motivates you into creating a brighter and more secure future for your child.

## ENTITLEMENTS

**Domiciliary Care Allowance** Yes  No  Action

The wording on [www.welfare.ie](http://www.welfare.ie) states that “a severe disability” is one that requires “continual or continuous care and attention substantially above the care and attention normally required by a child of the same age”. Eligibility is not based on the type of disability, but on the substantial care that you as a parent provide.

It is not a means-tested payment and your child will receive €309.50 per month, but as always, there are some criteria to be met. If your child has been diagnosed with Autism, Asperger, Childhood Disintegrative Disorder or a rare condition, then you are advised to have the medical professional/ specialist/ early intervention team helping with your child, complete an additional medical form (Dom Care 3).

**Carer's Benefit** Yes  No  Action

A parent who gives up full-time work to look after their child with special needs can receive this payment of around €220 per week. 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 18.5 hours (earn limit is €332pw). This is a taxable source of income.



**Carer's Allowance** Yes  No  Action

Your child must require additional support because of age, illness, physical or learning disability. To receive your payment of around €220 per week you must not be engaged in employment or education courses for more than 18.5 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 also be deducted. This is a taxable source of income.

**Household Benefits Package** Yes  No  Action

If you are entitled to Carer's Allowance, then you may also be entitled to the Household Benefits 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 is provided.

**Free Travel Pass** Yes  No  Action

All people who are in receipt of Disability Allowance, Carer Allowance or children under the age of 16 with a visual impairment are entitled to their own travel pass. Free travel is available on all modes of State public transport and a limited number of private operators. If your child is unable to travel alone, you can apply for a Companion Pass which allows a Carer to travel with your child for free.

**Carer's Support Grant** Yes  No  Action

Previously known as the Respite Care Grant, the Carers Support Grant is a payment of €1,700 per annum 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 receive Carer's or Domiciliary Care Allowance then you will automatically receive this grant.

## TAX & CREDITS

### Incapacitated Child Tax Credit

Yes  No  Action

A €3,300 credit can be claimed by a parent in respect of a child who is unlikely to work or financially maintain themselves even as an adult. 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.

### Medical Expenses

Yes  No  Action

You can reclaim some of the medical expenses that you and your family incur. This is done through a tax refund at the standard rate. You can only claim this 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 and overnight accommodation.

### Home Carer's Tax Credit

Yes  No  Action

You can claim this tax credit if you are married and if one of you is a stay-at-home parent. In order to obtain this tax credit, you must be in receipt of Child Benefit, and one parent cannot earn over €10,200 per year; this also excludes any Carer Allowance or Benefit payments.

### VAT Relief

Yes  No  Action

You may claim a refund on VAT for certain equipment, aids and appliances that are 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. Home renovations, sensory rooms, disabled bathrooms and communication aids such as iPads, can also be claimed.

### Housing Adaptation Grant

Yes  No  Action

This means-tested grant pays for necessary building works to render a house more suitable for the accommodation needs of a person with additional needs. A maximum grant of €30,000 (covering up to 95% of works), is available. If you only require work to a maximum value of €6,000, as an alternative you can apply for the means-tested Mobility Aids Grant Scheme.

### Local Property Tax

Yes  No  Action

There are two different types of Local Property Tax relief. First relief is a reduction in the chargeable value of a property to the original value of the home before adaptation occurred. The second is a full exemption because your home was bought, constructed or fully renovated as a result of your child's disability.



**Homemaker's Scheme** Yes  No  Action

You can claim credits towards your PRSI if you have given up work to take care of your 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. This is crucial to keep up as it will contribute to your future state pension.

## HEALTH & SCHEMES

**Medical Card** Yes  No  Action

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 all children in receipt of Domiciliary Care Allowance automatically qualify.

**GP Visit Card** Yes  No  Action

If your family 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 up to the maximum value of the Drug Payment Scheme. All Carers in receipt of Carer's Allowance or Benefit are also entitled to a non-means-tested GP Visit Card.

**Long Term Illness Card** Yes  No  Action

Regardless, if your child has a Medical Card or a GP Visit Card, your child with additional needs may still get an individual Long-Term Illness Card. This has nothing to do with income, but instead 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.

**Free Nappy Scheme** Yes  No  Action

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



**Disability Passenger Scheme** Yes  No  Action

Tax relief is available in order to buy an adapted vehicle to transport your child with additional needs. 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 written confirmation is needed before you make a purchase. A Primary Medical Certificate is your first step.

**Disabled Parking Card** Yes  No  Action

The Disabled Person's Parking Card is for drivers or passengers with disabilities. Cardholders 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.

**Disability Allowance** Yes  No  Action

As your child with special needs grows up and reaches their 16th birthday, your Domiciliary Care Allowance will cease. 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 long term. Unlike the Domiciliary Allowance, **your child's income, assets and capital are taken into account.**

## BANKING FACILITIES

Most parents find it very complicated to open, operate and manage a bank account for someone with special needs and parents eventually encounter numerous issues.

We've had families tell us shocking stories such as, "their son who has an intellectual disability had his bank account cleaned out and his parents were unaware." Banks have also refused to open up accounts for many families as they state that the person with special needs does not understand the terms and conditions. We ask who does!

When speaking to parents, we find that most parents have mistakenly opened a joint account with their child. However this is only a temporary solution and will cause issues when the parent passes away, as this account will have to be frozen. An even bigger issue is when the Department of Social Protection carries out a means-tested assessment, all money in a joint bank account can be allocated to either party.

## FINANCIAL WELLBEING SOLUTION

A Special Needs Bank Account allows both parents to legally manage a bank account on behalf of their child. Having full access to the account you can make financial decisions regarding the account on your own, or jointly with your child, depending on his/her ability to manage their financial affairs.

From the Special Needs Bank Account, you should pay for your child's medical needs such as any private therapies, equipment, health insurance, hospital, doctors and consultant visits. You should also use this account to pay for your child's personal needs such as phone, hobbies, clothes, entertainment and holidays.

Keep all your bank statements & do not shred them at any stage. These statements will be used when applying for entitlements, to show proof of the financial position of your child.

To open the account, a parent needs to complete the application form on behalf of their child and produce two forms of identification. The application form also needs to be signed by your child's doctor.

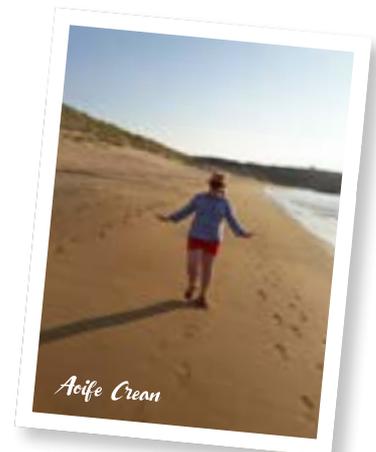
When opening the account, you should also request a laser card, cheque book, standing order forms and direct debit facilities. You must also ask for DIRT exemption to be applied to the account. This will prevent the government from taking 35% as a tax on any interest achieved on the account.

The most important aspect of the account is that upon your passing your Trustees can become legal managers of your child's account. This gives your child full banking facilities without any future complications.

What type of bank account do you have in place for your child? \_\_\_\_\_

Has your child any other accounts that need to be closed down? Yes  No

Have you set up the right type of bank account for your child? Yes  No



## SPECIAL NEEDS WILL & TRUST

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 means-tested entitlement in the future?
2. Is your Will set up correctly to protect your child's future inheritance?

### Special Needs Trust

- Your child will be the sole beneficiary of the trust.
- Your Trustee will have access to the trust on behalf of your child.
- Money in the trust can only be used for your child.
- It may not impact on your child's access to entitlements.
- Prevents your child being made a Ward of Court.
- Additional benefits such as tax & levy exemptions.
- Assets in the trust will maintain your child's future quality of life.



### Trustee

A trustee will manage the financial affairs of the trust. They will be responsible for key investment decision and ensure all money is spent wisely. You will need to nominating individuals who are good at investing and comprehend financial risk, return, charges and tax. We recommend selecting two Trustees.

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

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

### Guardians

A family discussion needs to take place to openly discuss the best Guardians for your child when you are no longer around to care for them. Guardians would then take over the parents' role in ensuring your child is well cared for. We recommend selecting two Guardians.

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

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

As parents, we are aware of how challenging it is to hold these conversations. To help our families we have published a Guardian and Trustee booklet in order to make this whole process a little easier. We also have a special needs Will and Trust booklet for our parents. This will allow you the parent to meet with your solicitor and have the confidence to talk in detail regarding a Will and Trust for your child.



*Saïrse, Catherine  
& Stephen Clifford*

## LETTER OF WISHES

Letter of Wishes is a document outlining your dreams and aspiration for your child when you have passed away. It is not a legally binding document, unlike your Will. However, it does provide valuable information that can help the next caregivers understand what he/she can do to give your child a fulfilled life.

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. When starting to write your Letter of Wishes it can be overwhelming to try to cover all the bases. To help you, we have listed a few areas;

- Your child's education needs
- Living arrangements both short term and long term
- Key people in your child's life & relationships you want to be nurtured
- Information on current & future entitlement for your child
- Information on your Special Needs Trust
- Instructions for the Trustee in the proper use of money left in the Trust
- Guidance on what to do when circumstances change



But most importantly document your child's passions, joys and hobbies (as well as any dislikes and fears), and your future aspirations for your child's life.

It is important you don't keep your Letter of Wishes a secret, share it with your family. Meet with your nominated Guardians & Trustees and have a frank conversation around the future. You need to send a copy of this document to your solicitor to ensure it aligns with your Will. It is also very important that you regularly review your Letter of Wishes and update it as circumstances change.

**Have you completed a Letter of Wishes for your child?**      Yes       No       Action

## HOSPITAL PASSPORT

As you are well aware bringing your child to the hospital can be daunting. All you and the hospital staff want is to make your child better as fast and painlessly as possible. However, we all know from personal experience that it can be very stressful as you feel you have so much to tell the hospital staff regarding your child.

Your Hospital Passport is a child-friendly way to provide all the information about your child in an easy-to-read manner. You can provide information on your child's disability and also on your child's abilities, other hospitals admissions, medication, health history, down to what your child's favourite toy is and their favourite food, as well as if there are any things in particular they are afraid of in hospital. You should also include the names and contact details of all the professional you are dealing with.

This document will stop you having to repeat your child's medical history from birth and from testing your memory powers when you are stressed. More importantly when you are not by your child's side then you know all the staff will be able to familiarise themselves with your child's health without having to wait to speak to you. Imagine how much time and stress this is going to save.

This document needs to be updated annually or when significant changes to your child's health occur.

**Have you completed a Hospital Passport for your child?**      Yes       No       Action

## FUTURE QUALITY OF LIFE

### When you are no longer around to care for your child.....

- What would a good day be in your child's life?
- Where would they live?
- What would they be doing?
- Who would be in your child's life?



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?

Total Amount Needed?

Total Amount Already Saved?

€ \_\_\_\_\_

€ \_\_\_\_\_

### Funding the Future

The amount of assets that you can put into your child's trust will be one of the defining factor in their quality of life after you have passed away. The earlier you start, the larger the fund you can build up.

Did you know that on average, your child will receive over half a million in Domiciliary & Disability Allowance before they reach retirement age.

ENTITLEMENTS	Years	Total
Domiciliary Care Allowance	0-16 Years	€59,424
Disability Allowance	16-66 Years	€527,800

How much a week of your child's entitlement can you invest for their future each week?

ENTITLEMENTS	Weekly
Domiciliary Care Allowance	€72
Disability Allowance	€203

Tick the weekly amount you wish to put away out of your child's current entitlement:

€20     €30     €40     €50     €60+



## FUNDING A TRUST

We all understand that it is vital to save for your child's future however, the government have placed a few barriers in your way that may complicate the process.

### Saving Issues

- Any savings you have in your child's name will be means-tested when applying for Disability Allowance, Medical Card, Free Travel, etc.
- Any savings that are in the parent's name will be means-tested when applying for entitlements such as Carer's Allowance, Medical Card, Fair Deal Scheme, etc.
- Savings and investments have to pay DIRT tax which substantially reduces any interest made.
- Investment policies bring an element of risk to your money & can attract high charges such as management fees, commission payments and levies.

### Life Cover Issues

- The complication with traditional life cover is that it will usually finish before you reach retirement age or when your mortgage finishes.
- Life cover works on the principle that it is unlikely to ever be paid out unless you pass away prematurely.
- Some life policies promise to pay out later in life, however, the cost to maintain these policies substantially rises as you age towards retirement.

### A Trust Life Policy is the solution that has none of these drawbacks....

- A Trust Life Policy is specifically designed to fund a Special Needs Trust.
- When you the parent pass away it will pay out a lump sum of money into your child's Trust.
- The premiums are fixed and will not change as you get older.
- And as a parent you decide how much a week you want to pay and over how many years

The key reason why the Trust life policy works so well for families of children who have special needs is parents know that no matter what happens in the future their child will always receive their money for their trust. This is a great way for your child to start putting away some of their entitlements without affecting their current or future access to entitlements.

Remember this is not like a pension or savings or investment product that has risk. It is a specific type of life policy that when you pass away it deposits money into your child's trust. It is a very straightforward way for your own child to fund their future quality of life.



## TRUST FUND

This section is to give you an estimate of how much it will cost to set up a Trust Life Policy with a minimum pay-out of €100,000. This will guide you on the cost of setting up and funding your child's trust.

### Example:

Dad age 44 & Mum age 44, both non-smokers and in good health would pay **€24** per week (€12 each), for a total of 40 years. In total, this would add up to €49,920 being paid into the policy.

### What does the child get back in their trust?

Scenario	Life Event	Pay-out	Total
1	If both parents pass away after the term	€50,000 €50,000	€100,000
2	If one parent passes away before the end of the term The second person passes away after term	€100,000 €50,000	€150,000
3	If both parents pass away before the end of the term	€100,000 €100,000	€200,000

Out of the child's entitlements, €49,920 would be put away for their future and the minimum that child would get back in the trust fund is €100,000. A pay-out of €150,000 or €200,000 may be paid out depending on when both parents pass away.

AGE	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
20-Years	€23	€24	€24	€25	€26	€26	€27	€28	€29	€30	€31	€32	€33	€34	€35
30-Years	€16	€17	€17	€18	€18	€19	€19	€20	€21	€21	€22	€23	€24	€25	€26
40-Years	€13	€14	€14	€15	€15	€15	€16	€16	€17	€17	€18	€19	€21	€22	<b>€24</b>

AGE	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59
20-Years	€36	€38	€39	€41	€42	€44	€46	€48	€50	€52	€55	€58	€61	€63	€67
30-Years	€27	€28	€30	€31	€32	€35	<b>€38</b>	€41	€45	€47	-	-	-	-	-
40-Years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### Example 2:

Dad age 52 & Mum age 50, both non-smokers and in good health would pay **€38** per week (€19 each), for a term of 30 years. In total, this would add up to €59,280 being paid into the policy. The same pay-out scenario of €100,000 minimum, €150,000 and the maximum €200,000 would occur but in this example it is over 30 years.

### Why not estimate how much of your child's entitlement you ideally should be saving to create a trust fund of €100,000 - €200,000?

- Look at table above
- Find the column closest to your average age as parents.
- Look at your preferred term 20/30/40-year.
- Draw a circle around the number associated with your age & term.

*N.B. All figures are based on two parents in good health and both non-smokers. If you smoke or have significant health issues it will cost more. The tables above is only a guide and a full application, declaring your medical history, will have to be submitted before the exact weekly cost can be confirmed.*

## ACTION PLAN

Take a couple of minutes and write down 5 actions you will carry out to secure your child's future. It's so important to put a timeline on all this, not to forget about it and throw the workbook in the back of a cupboard to only regret not getting it sorted sooner.

**Actions:**

**Completed by:**

1)

---

---

2)

---

---

3)

---

---

4)

---

---

5)

---

---



*Gillian & Keane Byrne*



*Aoife Crean*

## SPECIAL NEEDS TRUST PLANNING™

For parents who would like to get everything in place for their child's future, we have put the following package together:

- 90-minute consultation to discuss your family's situation
- Assistance when applying for the Trust Life Policy
- Guidance on setting up a Special Needs Trust
- Advice on Wills, Guardians & Trustees
- Support in completing Financial Wellbeing's Letter of Wishes
- Co-ordinating with your Solicitor to complete your Will

**Plus:**

- Assistance with opening a Special Needs Bank Account
- Support in completing your child's Hospital Passport
- Special needs guidance on your personal finances
- A second follow-up consultation
- Tailored Special Needs Trust Plan™
- Email & phone aftercare support

**Total Package Fee = €300**



*David Crowley*

# Expression of Interest Form

To avail of the Special Needs Trust Planning Package for your child, please complete this form and email your answers to: [dolores@financialwellbeing.ie](mailto:dolores@financialwellbeing.ie) or post it to: Unit 34 Rivergrove, Glanmire, Cork T45 T862.

What is your child's name? \_\_\_\_\_ Date of Birth: \_\_\_\_\_

What is your child's medical diagnoses? \_\_\_\_\_  
\_\_\_\_\_

Mum's Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Dad's Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Mum's Mobile: \_\_\_\_\_ Dad's Mobile: \_\_\_\_\_

Mum's Email: \_\_\_\_\_ Dad's Email: \_\_\_\_\_

Siblings Name(s) and Age(s) \_\_\_\_\_  
\_\_\_\_\_

Home Address: \_\_\_\_\_

Do any of the parents smoke?                      Dad                      Mum                      Both Non-smokers

Do you have a Will in place?                      Yes                      No

How much per week of your child's entitlements do you want to save through the Trust Life Policy?

€20              €30              €40              €50              €60+

If you have other specific area you like to discuss with Allan, then please let us know?;

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you have any questions, please call Dolores on 086 023 6995 or email [dolores@financialwellbeing.ie](mailto:dolores@financialwellbeing.ie)



# Financial Wellbeing

SPECIAL NEEDS TRUST PLANNING

t: 021 482 3635

e: [info@financialwellbeing.ie](mailto:info@financialwellbeing.ie)

Unit 34 Rivergrove, Glanmire, Cork, T45 T862.

[www.financialwellbeing.ie](http://www.financialwellbeing.ie)