



Some Do's and Don'ts for Grandparents Planning for a Loved One with Special Needs

Do's:

- Consult with trained financial, legal and tax professionals with expertise in special needs estate planning.
- Make provisions for your grandchild(ren) with special needs. Leave money to their special needs trust. When properly drafted, a funded special needs trust will not result in the loss of government benefits.
- Coordinate all planning with your grandchild(ren)'s caregivers and relatives. Notify them when you plan for grandchild(ren).
- Leave life insurance and annuity death benefits to the individual's special needs trust. The special needs trust can be named as the policy beneficiary. When the insured or annuitant dies, the death benefit is paid to the special needs trust.

Dont's:

- Disinherit your grandchild(ren) who have a disability. Money can be left to a properly drawn special needs trust.
- Give money to your grandchild(ren) with a disability under UGMA or UTMA (Uniform Gift or Transfer To Minors Act). Money automatically belongs to the child(ren) upon reaching legal age - government benefits can be lost!
- Leave money to a grandchild with special needs through a will. Money left will be a countable asset of the individual - and may cause the loss of government benefits.
- Leave money to a poorly set up trust. Money left in an improperly drafted trust can result in the loss of government benefits.
- Leave money to relatives to "keep or hold" for the individual with special needs. The money can be attached to a lawsuit, divorce, liability claim or other judgment against the relative.

Due to the complexity of federal and state laws, you may require a specially trained professional who can work with your other advisers to help you plan for the future of your dependent with special needs. [Click here for help finding a professional.](#)

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