

# **LIFE PLANNING: THE SUPPORTIVE HOUSING ASSOCIATION OF NJ**



## **Planned Lifetime Assistance Network of NJ (PLAN/NJ)**

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# PLANNED LIFETIME ASSISTANCE NETWORK OF NJ

- a statewide non-profit organization
- Established in 1982
- a member of the National PLAN Alliance





PLAN / NJ

## MISSION STATEMENT

- THE PLAN/NJ MISSION is to answer the question, **“Who will care for my loved one when I am gone?”**
- PLAN/NJ provides practical solutions to families and their loved ones with significant disabilities or mental illness, thus lessening the fear and anxiety families experience when planning for the future.



# PLAN/NJ SERVICES

1. Life Care Planning
2. Social Services
  - Guardianship, Advocacy, Home-visit monitoring
  - Trustee Special Needs Trusts
  - Pooled Special Needs Trust
  - Representative Payee



# FUTURE LIFE PLANNING

- Develop a LifePLAN:
  - Inventory of the needs of your loved one with a disability or mental illness
  - Person and family wishes, preferences and goals
- Locate resources to support the plan
  - Independent Living
  - Financial
  - Legal
- Identify appropriate people to implement the plan



# Financial Considerations: People Living with Disabilities and Their Families

- Employment
  - School preparation, training, community based experiences
  - College, certificate programs, vocational services, supported employment services
  - Workability Medicaid
- Government Assistance / Public Benefits
  - SSA cash benefits, Housing vouchers, Medicaid, Medicare etc.





# Financial Considerations: People Living with Disabilities and Their Families

- Family Assistance: Providing for future support (in Supplemental Benefits Trust)
- Legal and financial public benefits protections
  - Supplemental / Special Needs Trusts
    - DDD Medicaid eligibility requirements
  - ABLE Accounts



# What Is a Supplemental Needs Trust (SNT) ?

- A way to set aside funds for a person with a disability without jeopardizing vital government benefits (e.g., SSI, Medicaid, Section 8 housing, food stamps).





# Two Types of Supplemental Needs Trusts

- Two Types of SNT's:
  - Third Party funds from parents, grandparent, friends, insurance.
  - First party funds from the beneficiary, a settlement, or direct inheritance (payback provisions required)



# What Is a Supplemental Needs Trust (SNT) ?

- The beneficiary does not have direct access to the trust.
- Prevents beneficiary from owning assets that could eliminate means tested government benefits.



# Benefits of a SNT

- The Beneficiary may continue to collect benefits: SSI, Medicaid, Food Stamps, Section 8 Housing, etc.
- The Beneficiary is protected from being exploited through the appointment of a trustee.
- The trust can provide things to enhance his or her life, such as personal care assistance, transportation, education and recreation.
- The trust protects assets from being claimed by creditors or government agencies.



# What is a Community (Pooled) Trust?

- Multiple individual sub-accounts pooled together for investment and fee reduction purposes.
- The New Jersey Community Trust Act allows the individual, his or her parents, other family members and friends of a person with a significant disability to act as grantors to contribute financial to benefit the individual.
- A pooled trust functions like a supplemental needs trust.



# Examples of Trust Distributions

- Treatments or equipment not covered by Medicaid or Medicare such as:
  - Dental, eye care, or other medical treatments
  - Glasses, hearing aids, wheel chairs
  - Therapy- physical or psychological
  - Prescriptions or health treatments
  - Home health support
  - Vacation expenses: travel, hotel, entertainment
  - Family visits
  - Educational expenses



# Examples of Trust Distributions

- Utilities such as cable and telephone
- Vehicles, repairs, insurance
- Renters insurance
- Real estate and insurance
- Pre-paid funeral arrangements





# SSA Definitions: In-kind Support and Maintenance (ISM)

- Food and shelter are considered countable income
- Dual eligibility for SSDI and SSI may have low SSI monthly payments
- Loss of SSI cash benefits results in loss of Medicaid



# Distributions considered ISM

- Food
- Rent
- Mortgage
- Gas, Sewer, Water, Electricity
- Garbage removal



# ISM Impact on SSI Cash Benefit

- ISM reduces cash benefits by the lesser of the Presumed Maximum Value (PMV) or 1/3 of maximum Federal Benefit Rate (FBR)+\$20 disregard

2016 FBR \$733.00

1/3 FBR - 244+\$20 disregard

SSI = **\$509** + NJ Supplement



# ABLE Accounts: Achieving a Better Life Experience Act of 2014

- Protecting eligibility for Medicaid, Supplemental Security Income, other Federal benefits.
- More choice and control over spending on qualified disability expenses.
- A new avenue to save and promote independence.



# ABLE Act: The Basics

- A person can only have one ABLE account.
- It must be established for a disabled individual whose disability onset was prior to the age of 26.
- There is an annual contribution limit, currently set at \$14,000.
- If the account grows to more than \$100,000, Supplemental Security Income (SSI) payments will be discontinued, but Medicaid remains intact.



# ABLE Account Basics

- While the account balance remains below \$100,000, gains in the account are not taxed.
- Distributions will not be taxed if made for qualifying disability-related expenses.
- Upon death, state Medicaid agencies must be repaid out of the account balance for any benefits provided to the beneficiary while the account was in existence.





# WHERE DOES PLAN/NJ FIT IN?

- Support to your family member in the form of regular visits, coordinating services, advocating for quality services, money management, successor guardianship.
- Support to other family members in the form of regular communication, alerts to problems, expertise in the disability/mental health service systems and public benefits.



# Resources

- ABLE National Resource Center -  
<http://www.ablenrc.org/>
- Special Needs Alliance Handbook for Trustees -  
<http://www.specialneedsalliance.org/free-trustee-handbook/>



## For More Information Contact PLAN/NJ

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