The Whole Financial Picture
Families with Unique Needs

Tyler Davidson, CFP®, ChSNC®

CORNERSTONE WEALTH MANAGEMENT

1

Introduction:

- Tyler Davidson, CFP®, ChSNC®
  - Chartered Special Needs Consultant®
  - Certified Financial Planner™
- Cornerstone Wealth Management
- Financial Services since 2010

- How we Help:
  - Comprehensive Financial Planning - often planning for 2 generations
  - Investment Management
  - Retirement Income Planning
  - Tax Mitigation Strategies
  - Risk Management & Insurance Strategies
  - Personal Lines – Home, Auto, Umbrella

CORNERSTONE WEALTH MANAGEMENT

2

Purpose of Todays Presentation

1. Introduce the standard & unique documents/accounts that need to be considered
2. Highlight the planning timeline & life planning stages
3. Briefly dive into ABLE Accounts
4. Review how income impacts Benefits & the different work incentive programs available

3

ONE SIZE DOESN'T FIT ALL

4

- It Takes a Village -
Other Care Team Members Not Discussed Today

- Benefits Specialist
- Professional Trustee / Trust Officer
- Care & Case Manager
- Doctors, Nurses, Therapists, etc.
- Education Specialists
- Community Supports/Advocates
- Family & Friends

5

Legal Planning

6

Traditional Estate Planning Documents

- **Living Will** – outlines wishes for end-of-life care
- **Healthcare Power of Attorney (POA)** – appoints someone to make healthcare decisions
- **Durable (or Financial) Power of Attorney** – appoints someone to manage your finances
- **Last Will & Testament** – directs probate court on how your assets should be distributed & name executor
- **Revocable Trust** – AVOIDS Probate & provides continuity
  - Does NOT protect Government Benefits

7

Additional Unique Documents

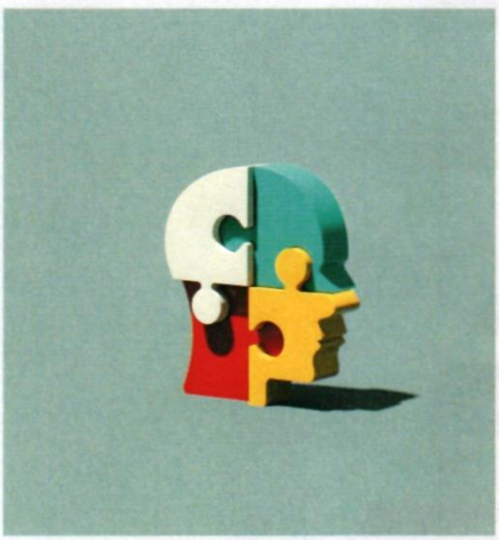
- **Guardianship** – Legal decision-making authority for personal & medical decisions.
- **Conservatorship** – legal authority to manage a person's finances or property.
- **Supported Decision Making Agreements** – Identifies a trusted person to help make decisions, but the individual still makes their own decisions.
- **Representative Payee** – A person appointed with Social Security to manage SSI/SSDI payments.
- **HIPAA Release Form** – Authorization to disclose health information
- **Letter of Intent** – A guide for future caregivers.
- **Special Needs Trust** – Trust specifically designed to preserve means tested benefits (SSI, Medicaid, etc.).

8

The 3 Types of SNTs

	First-Party	Third-Party	Pooled
Funded By	Assets of the beneficiary	Family, friends, and other third parties	Account in a pooled trust managed by a nonprofit
Uses and Benefits	Maintains government benefit eligibility	Maintains government benefit eligibility	Helps maintain benefit eligibility
Remainder At Death	Must repay Medicaid*	Choice of final beneficiaries	Remains with the trust
Created By	Beneficiary	Parents or family	Nonprofit organization

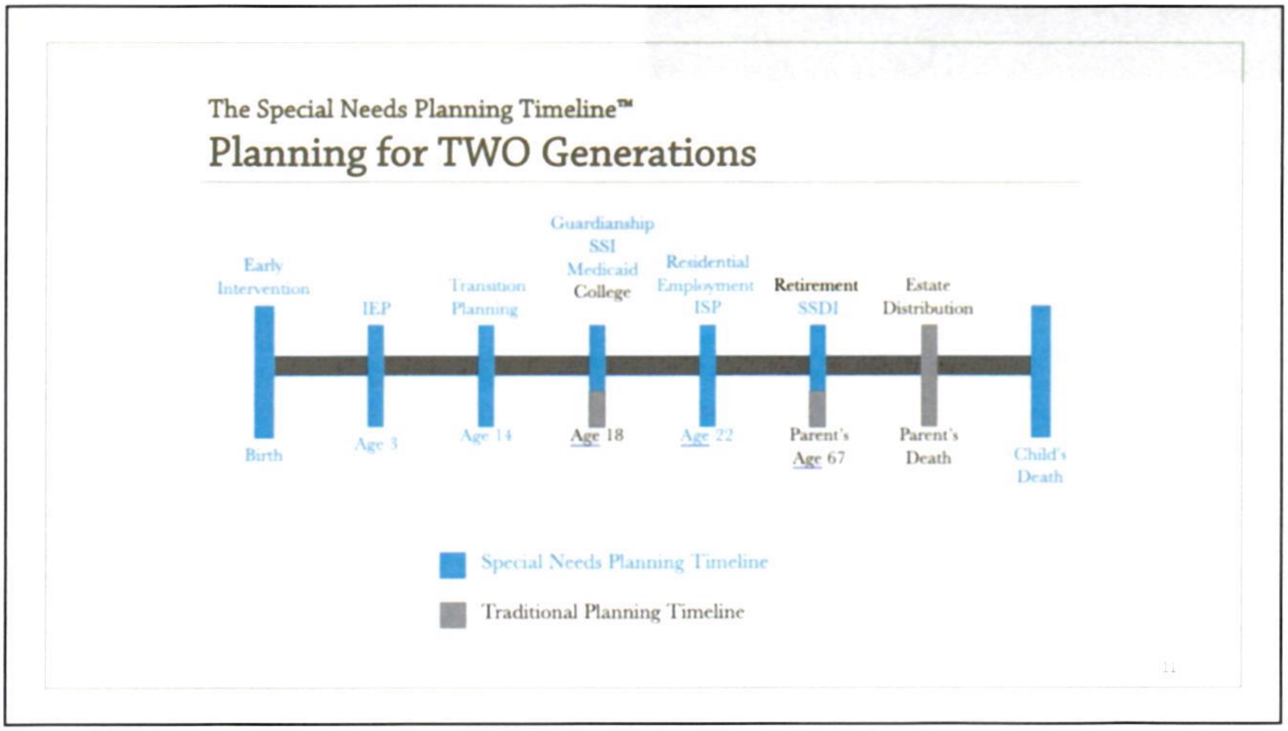
9



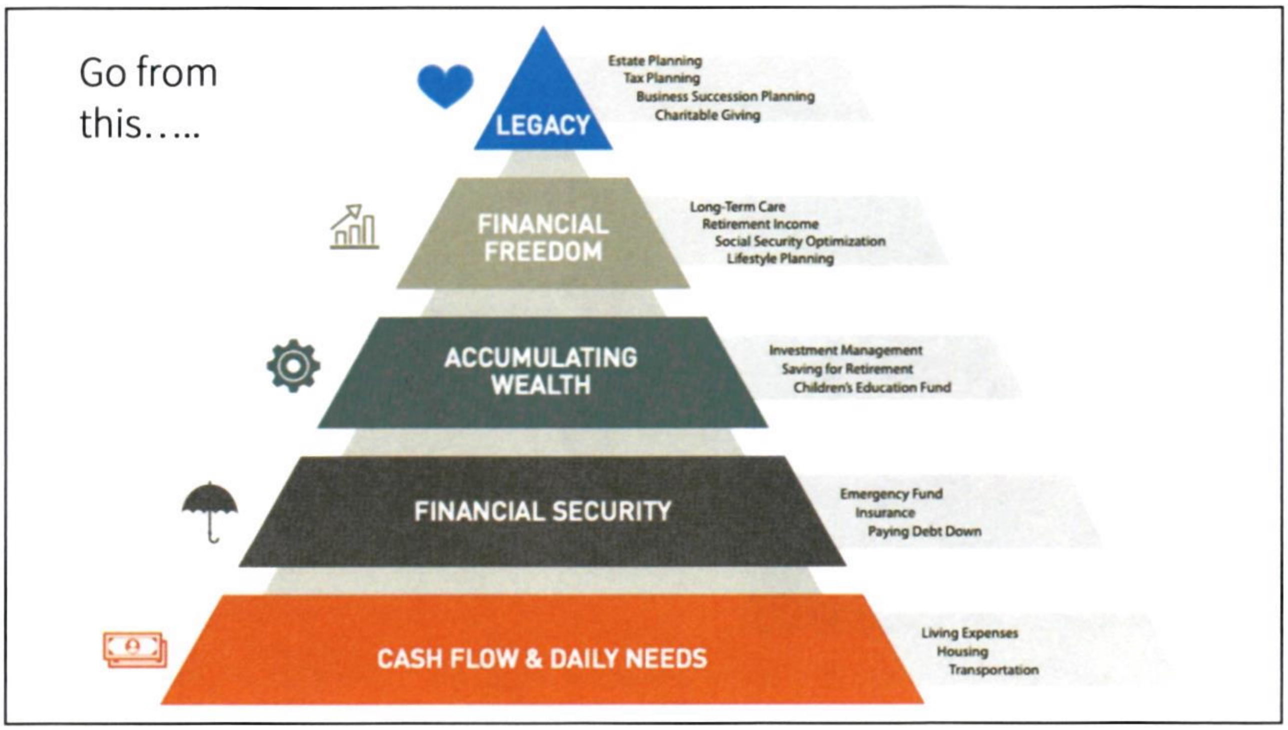
Financial Planning

10

10


The Special Needs Planning Timeline™
Planning for TWO Generations
Early Intervention
IEP
Transition Planning
Guardianship
SSI
Medicaid
College
Residential
Employment
ISP
Retirement
SSDI
Estate Distribution
Birth
Age 3
Age 14
Age 18
Age 22
Parent's Age 67
Parent's Death
Child's Death
Special Needs Planning Timeline
Traditional Planning Timeline

11


Go from this…..
LEGACY
Estate Planning
Tax Planning
Business Succession Planning
Charitable Giving
FINANCIAL FREEDOM
Long-Term Care
Retirement Income
Social Security Optimization
Lifestyle Planning
ACCUMULATING WEALTH
Investment Management
Saving for Retirement
Children's Education Fund
FINANCIAL SECURITY
Emergency Fund
Insurance
Paying Debt Down
CASH FLOW & DAILY NEEDS
Living Expenses
Housing
Transportation

12

To this!

13

Financial Planning – What to look for?

- You need a Specialist, not a Generalist – Chartered Special Needs Consultant
- Understands the importance of protecting Government Benefits, while building Financial Security
- Relationship driven, not transactional
- Independent/Unbiased advice, Fiduciary Duty – Certified Financial Planner
- Align with your personal goals/beliefs (ex: USCCB Screened Funds)
- Dynamic & Comprehensive
- Coordinated with your Care Team

14

Financial Planning – Common Questions

- Am I making the right financial decisions today?
- Do I have enough?
- Am I structuring this plan correctly?
- What happens in time of crisis? Are we protected?
- Am I maximizing investment growth, while minimizing taxes?

- Will my child be financially secure when I'm gone?
- How much will their future care/living cost? And where?
- Will my future caregivers be financially secure & be able to handle the added responsibilities?
- Is the plan setup correctly to protect Benefits?
- Is my plan fluid enough to change as policies change?
- How do I accomplish everything on a limited income?
- Is fair equal?
- Is my future Care Team in place now & in the future?
- Will my child be taken care of?

15

Financial Planning – How we help

- First, discuss/shape the ideal life for your child.
- Evaluate where we're at today vs where we'd like to be.
  (Lifetime Care Planning Scorecard & Fact Finder)
- Project future financial support - identify the gap in what's covered vs what's not in this ideal scenario
  (Lifetime Care Funding Needs Assessment)
- Include any additional essential financial supports for future caregivers, if needed.
- Create the plan - create a sustainable tax efficient investment/insurance strategy for funding future care.
- Coordinate Financial, Legal, and Benefits Planning with the Care Team.

While also….

- Evaluating personal goals & 'Retirement Readiness'.
- Provide ongoing guidance at various Life Stages.

16

Risk Management

17

Risk Management

"Insurance isn't just about coverage—it's about protecting years of planning from life's biggest risks"

18

Risk Management

- **Term Life Insurance** – coverage for protecting a certain period of time, most affordable
- **Permanent Life Insurance** – coverage for the needs that will always be there
- **Second-to-Die Life Insurance** – permanent coverage on 2 people, pays at 2nd passing
- **Child Riders** – additional coverage that extends to children
- **Long Term Care Hybrid** – allows you to access Death Benefit early for Home Healthcare, Nursing Home, etc.
- **Group Benefits** – Health Insurance, HSA/HRA/FSA, Short-Term & Long-Term Disability, Life Insurance
- **Personal Lines** – often need to be customized for home modifications, medical equipment, access vehicles, etc.

19

Risk Management – How we help?

- Evaluate the impact of a claim on the family
  - Death, disability, illness, accident or everyday risks
- Calculate future care & support needs
- Coordinate a funding & coverage strategy
- Dynamic setup for all life stages

20

ABLE Accounts

21

What is an ABLE Account?

- Achieving a Better Life Experience Act – passed in December 2014.
- Tax-advantaged savings account for individuals with disabilities (disability onset before age 46).
  - State tax deduction for contributions, and assets grow tax free.
- Eligible if someone has a moderate to severe disability that limits the individual's ability to perform basic life activities).
- Meets Eligibility requirements if:
  - Blindness as defined by SSA
  - Eligible for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI)
  - Has a Disability Certification from a licensed physician that certifies the diagnosis – what the disability is & when it began (*Sample on next slide*)
- Self-Certify that you meet the requirements

22

Disability Certification for ABLE Account Eligibility
Physician Form

Individuals who receive monthly disability benefits from the Social Security Administration (SSA) for a disability which began before age 26, or before age 46 as of January 1, 2026, are *not* required to obtain a disability certification.

As ________________________________ doctor, I certify to the best of my knowledge:
(Please check one of two options in #1, check #2 as applicable and complete #3.)

1.

☐ This individual has a severe medically determinable impairment* that results in marked and severe functional limitations which can be expected to result in death or have lasted or can be expected to last for a continuous period of not less than 12 months. I understand that "marked and severe functional limitations" means functional limitations that meet, medically equal or functionally equal the severity of any condition in The Listing from SSA without regard to age. I further understand that the level of severity is determined by considering the effect of the individual's prescribed treatment.

OR

☐ This individual is blind, meaning that they have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or otherwise meets criteria under Section 2.0 of the Listing of Impairments previously linked above.

AND

2.

☐ This individual's severe and marked medically determinable impairment or blindness occurred before the individual's twenty-sixth (26) birthday. Effective January 1, 2026, disability must have occurred before the age of forty-six (46).

3. The individual's primary/secondary diagnosis is documented below:

Primary Diagnosis/ICD Code: ____________________

Secondary Diagnosis/ICD Code (as applicable): ____________________

Print Physician's Name/Title: ____________________
(A Doctor of Medicine, osteopathy, dental surgery or dental medicine or, as appropriate, a doctor of podiatric medicine, optometry or chiropractor.)

Physician's Signature: ____________________ **Telephone Number:** __________

23

23

How does contributing work?

- Total yearly contributions set at the Federal Tax Exclusion amount - $20,000
  - Allowed to transfer in 529 Accounts, up to this annual amount (counts as a contribution)
  - Can also transfer in assets from a Special Needs Trust
  - If the individual is working & is not participating in a 401(k), they can contribute an additional $15,960 (up to 100% of earnings). **Income still counts towards Substantial Gainful Activity**
- Allowed to have up to **$100,000** in the ABLE Account before it starts counting as a resource and impacting SSI Benefits.
  - Medicaid NOT impacted
- Medicaid Clawback - State Medicaid program seeks reimbursement for expenses dating back to when the ABLE Account was opened.
  - Kansas – no clawback (except for when Federally required – Medicaid LTC costs, age 55 and over)
  - Missouri - DOES have a clawback – from when the account was opened

24

What can the funds be used on?

- Use for "Qualified Disability Expenses" (QDE)
- Includes education, housing, transportation, wellness, legal fees, administrative fees, financial planning, employment training, assistive technology, funeral, and more.
- Housing NOT considered In-kind Support & Maintenance (ISM) – which would typically cut SSI by 1/3rd
  - Charge Rent to avoid this – *Sample Rental Agreement next slide*

25

ROOM AND BOARD AGREEMENT

The undersigned ________________ ("Tenant") and ________________ ("Owner") agree to enter into a room and board agreement, in the home located at ______________________________ (address) for the specific room described as ____, and for usage of all common areas located on the premises, including indoor and outdoor areas. This agreement was entered into on ________________ (date).

Both parties agree that this is a business arrangement such that Tenant and Owner are separate economic units. The parties do not pool their funds for household expenses. The parties do not share in any decisions related to the premises (including home repairs, maintenance, or services such as TV cable service or home phone service).

This Room and Board Agreement is on a month-to-month basis. Rent may be increased at any time with proper notice.

The Tenant agrees to pay monthly room and board in the amount of $____________, which is payable in advance by the first day of each calendar month. This monthly room and board payment represents fair market value, and is the same amount the Owner would charge to other persons.

______________________________ ________________
Tenant (or Legal Guardian or Conservator if applicable) Date

______________________________ ________________
Owner Date

26

What do you need to open ABLE Account?

Authorized Individual Type:	Typical Documentation:
Power of Attorney	Power of attorney signed by the Account Owner
Conservator	Letters of appointment issued by a court
Legal Guardian	Letters of appointment issued by a court, granting appropriate financial authority. Note that if the Letters of Guardianship do not grant appropriate financial authority, you may want to consider whether you can apply as a different Authorized Individual Type
Spouse	Marriage certificate
Parent	Account Owner's birth certificate confirming applicant is the Account Owner's parent
Sibling	Account Owner's and sibling's birth certificates confirming a common parent
Grandparent	Account Owner's and parent's birth certificates confirming applicant is the Account Owner's grandparent
SSA-appointed Representative Payee	Documentation issued by the Social Security Administration appointing Authorized Individual as representative payee

27

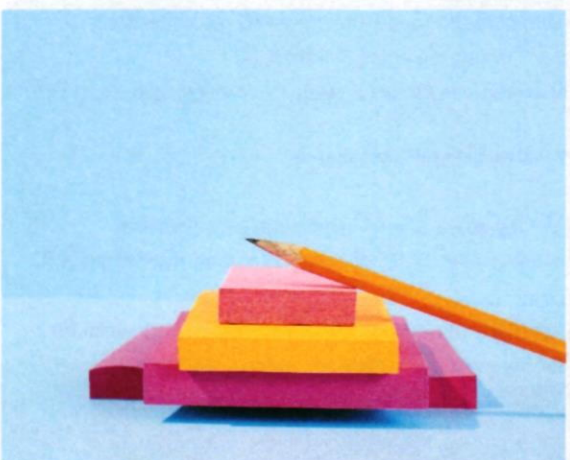
Information needed to open account:

- Name
- Permanent Street and Mailing addresses
- Birthdate
- SSN, TIN, or EIN
- Driver's License, Military, or State-Issued ID
- Email address
- Bank Information (Bank name, routing number, account number, checking/savings)
- Authorization Documentation – *info on previous slide*
- General idea of how you'd like the funds invested – may change only twice a year, but new contributions anytime

28

Name	Unit value as of 01/09/2026			APY as of 01/11/2026	Month Ending 12/31/2025	YTD as of 01/09/2026	Average annual total returns as of 12/31/2025			Inception date
	Unit value	Change					1 year	3 year	Since inception[1]	
Aggressive Option	$24.38	$0.14	0.58%	—	0.59%	2.18%	19.12%	17.26%	10.09%	12/15/2016
Moderately Aggressive Option	$21.98	$0.11	0.50%	—	0.47%	1.81%	16.96%	15.10%	8.88%	12/15/2016
Growth Option	$19.75	$0.09	0.46%	—	0.41%	1.49%	15.01%	13.02%	7.64%	12/15/2016
Moderate Option	$17.69	$0.07	0.40%	—	0.23%	1.20%	12.85%	10.92%	6.37%	12/15/2016
Moderately Conservative Option	$15.69	$0.05	0.32%	—	0.19%	0.84%	9.89%	8.71%	5.01%	12/15/2016
Conservative Option	$13.25	$0.01	0.08%	—	0.23%	0.30%	6.36%	5.81%	3.13%	12/15/2016
Money Market Option	$10.43	$0.01	0.10%	—	0.39%	0.10%	3.99%	—	4.00%	12/13/2024
Checking Account Option	—	—	—	—	0.00%	0.00%	0.00%	0.00%	0.00%	03/30/2017

29



Working & Benefits

30

Working while receiving Benefits

- "My child can't work, or else they'll lose their benefits"
- While this may sometimes be true, it's often not the case! You just need to be careful…
- Social Security offers various Work Incentive Programs to help protect Benefits.
  - That said, the underlying incentive is to eventually get them OFF Benefits.

Ready for more acronyms?

- Substantial Gainful Activity (SGA) – monthly earnings threshold Social Security uses to determine competitive employment for SSDI/DAC recipients. Gross earnings of $1,690 (Non-Blind) or $2,830 (Blind).
- Impairment Related Work Expenses (IRWE) – expenses incurred because of your disability in order to work
  - Ex: service animal, specialized transportation, adaptive equipment, medical devices, etc.

31

Work Incentive Programs

- Plan to Achieve Self Support (PASS) – Work incentive program that helps you set aside income & resources for expenses related to work goals. Resources set aside for goals don't count towards SSI limit ($2k).
  - Identify reasonable work goal & determine what resource amount is needed to achieve these goals, submit the proposal to Social Security
  - Ex Goals: Specific training/education, assistive technology, vocational training, business start-up.
- Trial Work Period (TWP) - 9 months to test working without losing SSDI, regardless of earnings amount (2026 threshold: $1,210/mo. (Gross – before taxes) to count towards 9 month over a 60-month period OR 80 hours work in a month if self employed)
- Extended Period of Eligibility (EPE) – 36 month extended period after Trial Work Period – continue to receive SSDI benefits for any month where earnings/work activity are below $1,690 ($2,830 if disability is due to blindness)
  - Have 5 years after this extended period to have a Expedited Restatement of benefits
- Ticket to Work (TTW) – Social Security provides free employment services for SSI & SSDI recepeints through Employment Networks & Vocational Rehab agencies to help someone prepare to work. Set goals, action items, & timelines – disability reviews are postponed while in the program, so Benefits do no stop.
  - Free career counseling, vocational rehab, job placement

32

So How Does Earned/Unearned Income Impact SSI?

- Earned income will reduce SSI – but by how much?

- Earned Income
  - $20 (general income exclusion - both earned or unearned income)
  - $65 from earned income
  - any impairment related work expenses
  = Total countable Income
  divide by 2
  = SSI reduction amount

SSI Income + Earned Income – SSI Reduction amount = Net 'Take Home' Income

Clear as mud, right?? Let's see an example…

33

How Earned Income Impacts SSI

- John is receiving full SSI of $994, but he recently started working part time at The Golden Scoop making $500/month. John pays $100/month for a specialized transportation service to take him to work.

- $500 Earned Income
  - $20 (general income exclusion - whether earned or unearned income)
  - $65 from earned income
  - $100 impairment related work expenses (IRWE)
= $315 Total countable Income
  divide by 2
  = **$157.50** SSI reduction amount

$994 + $500 – $157.5 = **$1,336.50** Net 'Take Home' Income

Let's look at an example of Unearned Income

34

How Unearned Income Impacts SSI

- Jane is receiving full SSI of $994, and recently started receiving Disabled Adult Child (DAC) Benefits from her father who just retired & took Social Security. Her father's Social Security income is $1,800/month – so Jane will start receiving $900 in DAC Benefits (half of fathers Social Security benefits).
- DAC Benefits are Unearned Income, therefore reduce benefits dollar-for-dollar (after $20 general exclusion)
- $900 Unearned Income – DAC Benefits
  - $20 (General Income Exclusion - whether earned or unearned income)
  = $880 SSI Reduction Amount

$994 + $900 - $880 = **$1,014** Net 'Take Home' Income

New Income Breakdown: $900 DAC Benefits + $114 SSI

35

Still Confused – don't worry! FWM has an online calculator on their website!

Go to website → Resources → Planning Tools & Calculators

36

Questions?

37

Thank you!

Tyler Davidson, CFP®, ChSNC®

Cornerstone Wealth Management
10561 Barkley Street, Ste 200. Overland Park, KS 66212
120 N Main Street, Ste 1. El Dorado, KS 67042

Office: (913) 766-9924
Text: (913) 379-9054
Email: TDavidson@CKCWealth.com
Website: www.CKCWealth.com

CORNERSTONE
WEALTH MANAGEMENT

38