

BLUEPRINTS Planning for Special-Needs Families

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Independent, Individualized Investment Advice and Financial Planning

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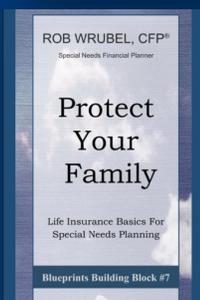
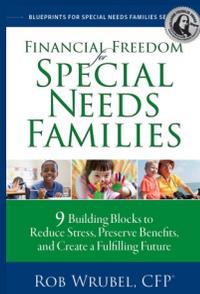
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Tips on the Stimulus Payments

CARE Act stimulus checks went out in April and families with special-needs members are asking questions about how to handle the funds. Last week, a mom called wondering what to do with the money that came for her adult child with a qualifying disability. These payments do not go to every person or every family as there are income and dependency tests impacting eligibility.

Adults receiving benefits worry about losing those benefits either from earning too much or saving too much. Income levels vary by state but know that these stimulus payments are not considered income by federal programs or by state programs financed by the federal government.

These payments do not have to be spent immediately either and are not counted towards the \$2,000 resource limit for a period of 12 months after receipt. They can be accepted and used or kept without putting valuable benefits at risk.

Many families need the stimulus money to pay rent and provide food and utilities. Other families receiving these funds on behalf of a person with disabilities do not have a short-term need for these funds and are wondering what to do with them.

It's easy to spend money as it comes in, especially when you have an established budget and that new money just shows up. The stimulus funds will feel like a gift to some families and we all like to put gift money to work to buy

something new and exciting when we get it.

Gifts can be used to build assets for the future instead of being spent today and this gift can jump start an account for future needs. ABLE accounts were designed to give people with qualifying disabilities the chance to save money in a tax-advantaged account instead of having to spend their money to stay under the \$2,000 resource limit.

Consider funding an ABLE account with money you just received. ABLE accounts are designed to help adults with developmental disabilities maintain qualification for benefit programs, provide tax-relief on investments in the account and provide direct access to funds for people with qualifying disabilities. Legislation for ABLEs passed in 2014 but they are still barely used by families.

Stimulus payments provide a great chance to start an emergency fund - and to help educate your family member about how and when to spend money. Turn the gift of the stimulus payment into an account that begins the road towards financial security for you and your family member with special needs.

Rob Wrubel, CFP® AIF® AEP® is a Senior Vice President with Cascade Investment Group, member FINRA & SIPC. Rob is also a father of a daughter with Down syndrome. Cascade Investment Group is not a tax or legal advisor. You should always consult with your tax advisor or attorney before taking any actions that may have tax consequences. Call Rob at 719-632-0818 to schedule an appointment.