

Advanced Sales

Special needs trusts

Life insurance as an estate planning solution

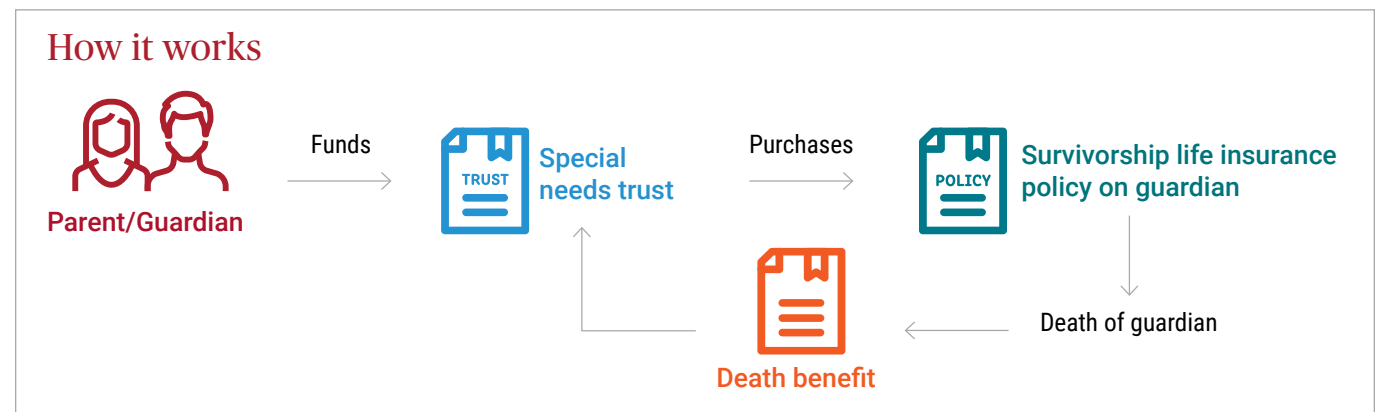
PLANNING TIP

With a special needs trust:

- You can provide support for a sole beneficiary due to physical or mental disabilities
- The beneficiary remains eligible for government benefits
- Distributions are paid directly to service providers

A special needs trust, or supplemental needs trust, provides funds to a disabled beneficiary without interfering with eligibility for government assistance. The trust can pay for amenities such as vacations, entertainment and sporting equipment.

With a special needs trust, a parent or guardian can make investments on behalf of a disabled dependent, and a trustee is named to assume the responsibilities of the trust. Life insurance can play an important role in a special needs trust.



What to consider

Here are some things to consider before using a special needs trust as an estate planning solution.

- To avoid disqualification from some government programs, **do not** name the special needs individual as a gift recipient or direct beneficiary.
- Naming a family member as trustee or administrator can create a risk if that person predeceases the special needs dependent or becomes involved in a litigation or bankruptcy.

Insurance products issued by:
The Lincoln National Life Insurance Company

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

Advantages

- A special needs trust funded with life insurance can provide a beneficiary the financial means to have lifestyle enhancements for years after a parent's death.
- It is an effective way to provide long-term security and asset distribution in a manner that protects the beneficiary's eligibility for government food, clothing, shelter and transportation benefits.

How to implement

Before implementing this estate planning solution, meet with your financial professional and an attorney to set up a special needs trust. You can then transfer assets to the trust and purchase life insurance with the trust as the owner, payer and beneficiary. The life insurance proceeds will then be received by the trust and paid out according to the terms of the trust.

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Speak to your financial professional today about creating a solid wealth transfer solution for your loved ones.

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