

## Chapter 5

*“It’s been a rocky road at times, but finally I got back to just living my life, focusing on my abilities instead of my ‘disability,’ and thinking about my family’s future.”*

—Jeff, diagnosed in 1980

**MS** is not a fatal disease. However, mortality is a fact for all of us—and loved ones will be left behind. This is why estate planning is a good idea for everyone.

Make it a matter of routine to revisit your life insurance and estate planning needs periodically. Addressing these issues shows that you care about your loved ones’ future.

### Life Insurance

Life insurance—especially for couples or parents—is important. However, you may wonder how much life insurance is enough. The answer varies, depending on such factors as:

- Are you single or do you have a spouse or partner?
- Does your spouse or partner work, and is he or she self-supporting?
- Do you have any dependent children?
- Do any of your children have special needs, such as learning disabilities or serious health conditions?

- Do you have elderly parents who rely on you for financial support?
- How much money have you set aside in relatively safe investments?

Because of MS, you will not be able to buy life insurance at standard rates. However, your employer may allow you to buy additional life insurance above the amount the company provides. If you change jobs, try to convert your group life insurance policy into an individual policy.

A financial planner or insurance agent can answer your life insurance questions. Other resources about life insurance include:

- Consumer Federation of America, [www.consumerfed.org](http://www.consumerfed.org). Click Finance and then Insurance.
- Insurance Information Institute, [www.iii.org](http://www.iii.org)
- National Association of Insurance Commissioners. Call 1-816-842-3600 or go to [www.naic.org](http://www.naic.org). Click Consumers, then Consumer Publications, and select *Life Insurance Buyer’s Guide*.



## Estate Planning Paperwork

Estate planning means having certain paperwork in place, including a will, durable power of attorney, health-care proxy, and other documents. To draw up these documents properly, you may want to work with a lawyer. Your state bar association, legal aid society, or state attorney general's office can help you find the right person and paperwork to plan your estate. If you use a software package to develop a will, it still is a good idea to have a lawyer review the paperwork.

When hiring a lawyer, interview several before making a decision. Ask if the lawyer has experience in working with people with disabilities and experience in estate planning. Find out what the lawyer charges and what you can do to keep your costs down. The American Bar Association has information on hiring and working with lawyers. Visit [www.abanet.org](http://www.abanet.org). Click General Public Resources.

If you can't afford to hire a lawyer, you may qualify for legal aid. Many law schools also offer free or low-cost legal services.

## Will

You should have a will, and if you are married, your spouse should have one, too. Your will directs how and to whom your money, property, and other assets should be distributed at your death. You also use a will to nominate a guardian for your minor children. If you die without a will, state law will dictate how your assets are distributed and who will look after your children.

## Beneficiaries

For some assets, such as life insurance or retirement plans, you name a beneficiary to receive the asset at your death. Make sure your beneficiary designations are up-to-date and match the wishes you have stated in your will. If there is a conflict, a beneficiary designation will override a will.

## Durable Power of Attorney

All adults should have a durable power of attorney. This legal document allows you to name the person who will handle your finances if you are unable to handle them yourself. This could include paying your bills or signing your name on financial transactions on your behalf.



## Health-Care Proxy and Living Will

A health-care proxy allows you to name a person who will make decisions about your health care if you are unable to make them yourself. A living will allows you to specify the types of medical treatment you want or do not want if you are unable to communicate these choices. All adults should have a health-care proxy and living will. To learn more about these documents, ask your financial advisor, attorney, or a librarian. You also can do an Internet search by going to your search engine and typing, “advance care directives.”



# My Plan for Handling Estate Issues

1. This is my plan for making sure I have adequate life insurance:

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2. I have the following documents in place:

Will: Yes \_\_\_\_\_ No \_\_\_\_\_

Beneficiary designations: Yes \_\_\_\_\_ No \_\_\_\_\_

Power of attorney: Yes \_\_\_\_\_ No \_\_\_\_\_

Health-care proxy: Yes \_\_\_\_\_ No \_\_\_\_\_

Living will: Yes \_\_\_\_\_ No \_\_\_\_\_

Special-needs trust: Yes \_\_\_\_\_ No \_\_\_\_\_

## Special-Needs Trust

If you receive an inheritance, it could reduce or stop benefits you may be receiving from Medicaid, SSI, or a VA pension. That is because these benefits are paid based on your financial need. (SSDI and VA compensation benefits *are not* paid based on financial need and, therefore, are not affected by an inheritance.)

With planning, however, your loved ones may be able to leave you an inheritance that will supplement the government assistance you receive, not replace it. A special-needs

trust can be established to provide funds for quality-of-life items—such as therapy, classes, or a computer—that are not covered elsewhere. You also may be able to use your own income to set up a similar type of trust, called an income cap trust, in order to meet Medicaid income limits. Check with your state’s Medicaid agency at [www.cms.hhs.gov](http://www.cms.hhs.gov) to learn more.

Setting up a special-needs trust requires careful planning. Work with a lawyer who is knowledgeable about estate planning and the rules governing assistance programs for which you may qualify now or in the future.