

“प्रज्ञान”

Means of Wisdom

Estate Planning for Families with Differently Abled Members



Differently abled children are largely dependent on their parents through their lifespan. In India there are very few agencies who would take care or take responsibility for such children in case something went wrong with their parents. Unfortunately, we do not have any dedicated centres or programs which can take care of these children or a national Health Programme that includes their care.

In earlier times when families lived together the support systems were better. With the advent of nuclear families, husband and wife both working it can be quite challenging to manage.

One of the major concerns for parents of differently abled children is who would take care of their children in case of their demise? And this leaves them with sleepless nights and worries them all the time.

In this scenario there are a few questions that need answers

- What legal arrangements parents of a special need's child should make so that the child is taken care of after the demise of parents?
- What factors they should keep in mind while making investments in physical and financial assets?

This is where a tailor-made Estate Plan suited specific to the above-mentioned needs and concerns will come in handy.

There are multiple options that the parents can explore for e.g. guardianship, POA, etc. But all these are dependent on availability of their relatives or friends. One does not know whether they will have enough time to spare for this job.

Creation of Trust works out the best.

Here the parents can set up the trust while they are alive and appoint at least two trustees, a family or friends and another a corporate trustee.

The parents (settlers) can make changes and give suggestions to the trustees if they feel any changes need to be made in the trust.

The creation of the trust in their lifetime will help them to understand the process and operations of the trust.

This will help them pass on the day to day operation and execution responsibilities to the corporate trustee.

The corporate trustee can arrange and execute all the daily operations like arranging for full time maids, cook, health care attendants, doctors etc.

The corporate trustee can also put the payment systems in place and pay for all the expenses via that channel. A tracking mechanism can be developed which helps the family trustee oversee the operation smoothly.

What factors they should keep in mind while making investments in physical and financial assets?

- It is always better to have major investments in the financial assets than the physical assets.
- One should limit the investment in one residential property, as it would be easy for the trustee or the caretaker to manage it.
- Multiple properties will create management challenges. One should make an excel sheet of all the existing and expected expenses. This would include the cost of household expenses, maids, nurses, attendants, doctors, medication, education, etc. One should invest in financial products which will be a mix of monthly payouts and growth.
- Investments as a hygiene be made only through and into the Trust

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