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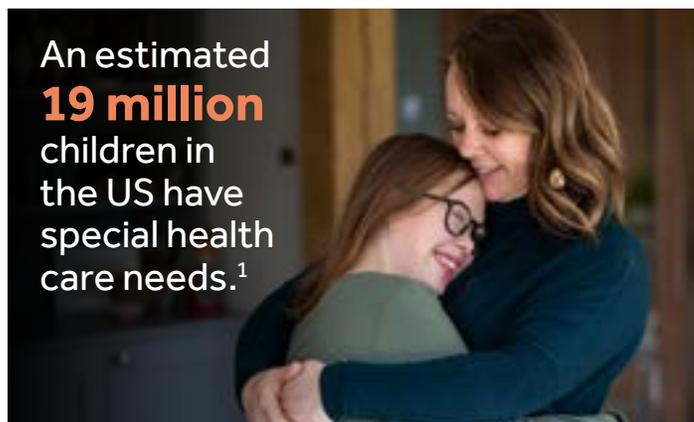
Your Plan, Their Possibilities

A parents' guide for raising children with special needs



Financial planning is about being able to step into the future with confidence

If you're raising a child with special needs, you know that every day can bring both immense joy and unique challenges. For every milestone and moment of pride, there's a hidden world of planning, juggling, and — let's be honest — worry. You might find yourself lying awake at night, running through endless to-do lists and asking those big, tough questions: Will my child be happy? How can I keep them safe and secure, now and in the future? You're not alone.



And behind each of them are parents navigating complicated care, uncertain futures, and financial realities. As a parent of a child with special needs, your financial picture can seem overwhelming. The numbers show just how much is at stake: 43% of caregivers to a child with special needs rate their financial health as fair to poor. The demands of caregiving often mean cutting work hours, declining promotions, changing jobs, or leaving the workforce altogether, which can impact your income and future security.

Out-of-pocket expenses for medical care, therapies, equipment, and transportation pile up quickly. And it's not just the bank account that feels the strain.

That's why mapping out your financial future is even more essential.

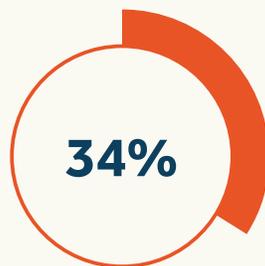
Whether you're thinking about everyday expenses or what happens in the future, planning gives you more time to enjoy the present with your child so you spend less time worrying about the unknown. The earlier you start reviewing your goals — especially when it comes to finances — the more confident and flexible you can be.

With the right guidance and a thoughtful approach to financial planning, you can build more stability for your family — protecting both your child's immediate needs and their long-term future. This brief will help you take those first steps with confidence, turning uncertainty into a sense of control and hope for what lies ahead.

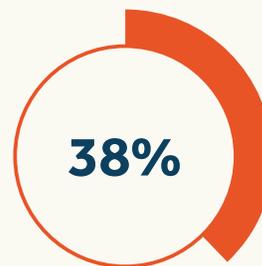
“As a mom of two, caregiver to a son with special needs, and a business owner, I've always felt guilty taking time for myself. Over the years, I've learned that I am better for my son if I can create space for myself each day — even if it's only brief.”

Annette Hammortree, CLTC, RICP, Owner and CEO of Hammortree Financial Services

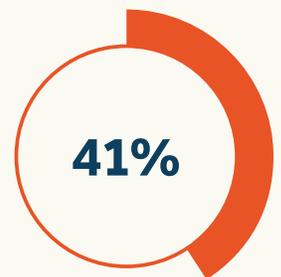
Percentage of caregivers who report the following challenges



Fair or poor physical health



Difficulty maintaining work/life balance



Mental health challenges

Take stock of the government benefits you have — and those that are missing

Take, for example, government benefits. You're probably receiving some — but are you getting everything available to you and your child?

Supplemental Security Income (SSI) helps families of children under 18 with qualifying disabilities cover everyday expenses.



Only about **7 in 10** children likely eligible for SSI are currently enrolled.²

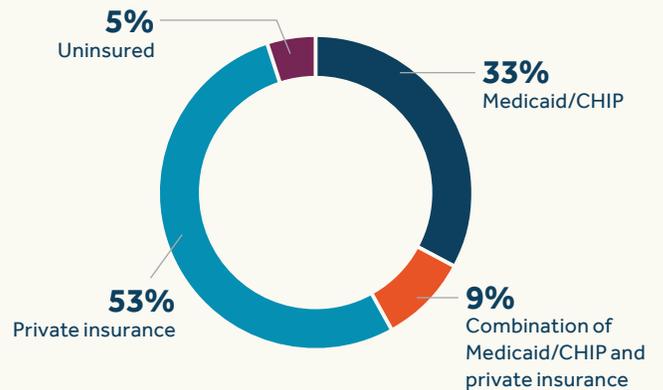
Eligibility depends on whether your child meets the Social Security Administration's (SSA) definition of disability as well as your family's income and resources. Here, income means that of every person — parents, stepparents, and siblings — living in the household, and resources include things like cash savings, money in bank accounts, extra vehicles, real estate (other than your primary home), stocks, bonds, and life insurance.

If your family's assets are too high, you're not out of options. You can move money into a special tax-free savings account for children with special needs, set up a qualified trust, or spend down resources to get below the threshold. Each option carries its own rules and benefits.

Medicaid is another crucial program for families of children with special needs. It provides comprehensive health coverage and accounts for more than half of all long-term care spending, including home-based care that allows children to stay with their families.

Medicaid and the Children's Health Insurance Program (CHIP) cover more than 44% of children with special needs, and are the only sources of coverage for 1 in 3 of these children.³

Health insurance status of children with special needs⁴



Families struggling with the cost of health care may be able to get help from Medicaid, which often covers services that private insurance doesn't — like long-term care, home care, and cost-sharing protections that keep medical expenses manageable.

In most states, getting SSI automatically qualifies your child for Medicaid. But even if your child is ineligible for SSI benefits, they may still be eligible for Medicaid or for state-specific waivers that provide extra services not covered by standard insurance. Medicaid waivers let states adjust the usual rules, like income limits, to provide home- and community-based services tailored to families' unique needs.

“Understanding what benefits are available to your loved one is critical. For example, many group homes are funded by Medicaid. Regardless of your net worth, having the option for your loved one to live in such a group home can be a huge financial benefit.”

With the right financial tools, you can save for your child's future while safeguarding their access to government benefits

Building financial security for your child can feel like playing a high-stakes game without knowing the rules. The key is using tools designed to let you save for your child's future without risking their access to crucial benefits.



To be eligible for needs-based programs like Medicaid, you and your child must have less than **\$2,000** in countable assets.

Exceeding this limit means your child could lose the safety net these programs provide, but there are a few ways to work around this.

An ABL (Achieving a Better Life Experience) account is a game-changer. Think of it as a special savings account for disability-related expenses that grows tax-free, and best of all, the money in it (up to \$100,000) doesn't count against SSI or Medicaid eligibility. There are annual contribution limits — in 2026 a total of \$20,000 can be deposited into an ABL account.⁵

Special Needs Trusts are another powerful tool in your financial planning toolkit. There are two basic types. A first-party trust is funded with assets in your child's name, such as the proceeds from a personal injury or medical malpractice settlement. A third-party trust must be established by someone other than the beneficiary, and can be funded with money from savings, life insurance, or inheritance, as a few examples.

Setting up a trust gives you more control and allows your assets to be used for your child's care and well-being, even after you're gone.

Trusts can be named as beneficiaries on life insurance policies, which makes it easier to pass along an inheritance or life insurance money directly for your child's benefit. The rules around trusts are complex and require the services of a special needs/elder law attorney.

“Knowing how and when to utilize an ABL account and/or a Special Needs Trust is critical in the planning process. They're both very different tools. Many of our clients utilize both — one is not better than the other. The purpose for each is just different.”



Your child's 18th birthday marks a major shift in how benefits, legal rights, and decision-making work

Turning 18 is the start of a new chapter for your child. At this age, depending on their disability, they may be considered an adult. This can be a time of excitement for your child as they exercise more of a say over their own lives, and it also brings about changes in the financial landscape, which can ramp up stress about money. If your child has been receiving government benefits and services, there are some new rules that come into play.



More than **4 in 10** who receive SSI as children, lose their benefits at age 18.⁶

At this milestone, your child's eligibility for SSI will be reviewed, and there are more stringent guidelines for what is considered a disability as an adult. Where, as a child, the SSA considered whether the disability imposed severe limits on daily activities, as an adult, the standard is whether it will prevent your child from performing gainful employment. In 2026, that means earning at least \$1,690 a month or \$2,830 if they are blind.⁷

This is also the time when your child is no longer able to access school-based services, and the financial impact can be devastating. This is one of the many reasons why establishing a trust is so important.

“Milestones like the 18th and 22nd birthdays can be overwhelming. I realized that if my son took his diploma at 18, it would end all the school supports there and then, and I was scared to lose that lifeline. Delaying his diploma allowed us to continue getting services like job support and the ability to explore day program options through his school district.”

But there may be a silver lining for children who were ineligible for SSI before age 18 because their parents' income was too high. Providing their disability meets the standard, since only their own income and assets are counted, they may be eligible for SSI benefits as adults.

As your child steps into adulthood, your role shifts — but your support remains just as important. By understanding these changes and preparing in advance, you can help your child navigate this new chapter with confidence.



Age 18 checklist

- ✓ Apply for SSI and Medicaid.
- ✓ Implement guardianship or some form of power of attorney.
- ✓ Explore vocational opportunities.
- ✓ Discuss taking a diploma or delaying until age 22 to take advantage of district supports.
- ✓ Register to vote.
- ✓ Obtain a state ID.

Planning for your child's future can be one of the greatest gifts you can give them

When it comes to the future, you're not just planning for yourself and your spouse; you're planning for "retirement for three." It will take careful thought and honest conversations.

Start those discussions with your financial advisor. People who work with a financial advisor say they are more confident.

Only 33% of caregivers to a special needs child work with a financial advisor.

Be honest about the kind of lifestyle you'd like in retirement and whether that vision will be able to support your special needs child. Analyze your cash flow and consider both your and your child's expenses to get a realistic picture of how much money you and your family will need to live on.

Legal paperwork may not always be exciting, but it's essential. Your will or trust should address the specific needs of your child — not just today, but throughout their lifetime. That includes big-picture questions like: Where will they live as they get older? Will they need in-home support or a long-term care residence? Who will help manage their finances? Who will step in to provide care, make decisions, or advocate for them?

Begin with a will — it's your chance to say exactly what happens to your assets after you're gone. A surprising number of parents of children with special needs overlook this important step.



Just 1 in 4 caregivers to a special needs child has a will.

Do the same with your life insurance. Protect your child's eligibility for benefits by bequeathing assets to their Special Needs Trust instead of directly to them. Some families also consider a second-to-die life insurance policy, which covers both parents and pays out after both have passed. It's often more affordable than insuring each parent separately and ensures funds are available exactly when they're needed most.



1 in 3 caregivers to a special needs child does not have life insurance.

Finally, consider creating a life care plan or letter of intent. Though not legally binding, it's incredibly helpful to the people who will step into your shoes. In this document you can share your child's routine, preferences, triggers, medical history, favorite foods, communication style, hopes, and dreams. It's a way to help smooth transitions and make sure your child continues to thrive, just the way you envision.

Parenting a child with special needs requires strength, creativity, resilience, and an incredible amount of love. Every day you're making decisions, both big and small, to support your child's growth, happiness, and well-being. Financial planning may not always feel urgent, but the steps you take today can make tomorrow feel a little less intimidating and a lot more hopeful.

"No one will care for my son or do the things I do for him the way I do them. If I could just live one moment longer than him, maybe I would be less fearful for his future when I'm no longer around. I know that is selfish. The next best thing I can do is build a 'team' for him of family, friends, and professionals to walk alongside him. Doing the work to create this is essential and writing it down is even more important."

Appendix

Methodology and sample characteristics

The Guardian 14th Annual Workplace Benefits Study was fielded in January and February of 2025 and consisted of an online survey among working Americans (employees).

Employee survey

Employee results are based on a survey conducted among 2,000 employees age 22 or older who work full time or part time for a company with at least five employees. The survey sample is nationally representative of US workers at companies of at least five employees. The health care employee sample includes 218 respondents.

Data shown in this report have been collected in a way to reflect the actual proportion of US workers by gender, region, race, ethnicity, education level, household income, age, and employer size, based on data from the Bureau of Labor Statistics and the Census Bureau. The margin of error is +/- 2.1% at the 95% confidence level.

Guardian's Workforce Well-Being Index™ (WWBI) measures consumer attitudes in three core areas: financial wellness, physical wellness, and emotional wellness, and ranks them on a 10-point scale.

About Hammortree Financial Services

Hammortree Financial Services has been providing comprehensive, holistic financial planning for more than 39 years. The firm specializes in support for families navigating special needs planning to ensure long-term care and protection. This includes estate planning — especially for complex family situations or special needs considerations — ensures assets are protected and transferred according to clients' wishes, while insurance solutions such as life, disability, and long-term care coverage help safeguard against financial risk.

About Annette Hammortree



Annette Hammortree, CLTC, RICP, Owner and CEO of Hammortree Financial Services, specializes in retirement planning and special needs planning. Her passion for serving the special needs community is deeply personal. Her son, Shane, was born 16 weeks premature and spent six months in the NICU. As a result, he lives with cerebral palsy, low vision, hydrocephalus, developmental delays, and is a cancer survivor. Her experiences as a parent shaped her commitment to helping families navigate the complexities of planning for loved ones with disabilities.

A recognized leader in her field and a sought-after speaker, Annette serves on multiple boards and committees dedicated to supporting individuals with disabilities. She is also an active member of NAIFA, Finseca, and Women in Financial Services. Her firm is a proud member of the Marengo and Crystal Lake Chambers of Commerce.

Annette has two children: her daughter, Nikki, who lives in Chicago, and her son, Shane, now 34, who lives at home with her.

About this collaboration

This thought leadership brief was co-created by Guardian and Hammortree Financial Services, incorporating the insights of financial advisor Annette Hammortree. This combination of Guardian's proprietary research and Annette's professional insights and financial guidance is a powerful tool to help support families raising children with special needs.

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- 2 Kimberly Blanton, [Up to 480,000 More Children Might be Eligible for SSI](#), *Center for Retirement Research at Boston College*, November 21, 2024
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- 5 [ABLE Account Contribution Limits for the Calendar Year](#), *ABLE National Resource Center*
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The Guardian Life Insurance Company of America

guardianlife.com

Unless otherwise noted, all data is sourced from Guardian's 14th Annual Workplace Benefits Study, 2025.

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