



There are financial resources available for children with disabilities that can be used to help defray costs of care. These resources are often overlooked due to restrictive eligibility requirements and their applicability to only a small group of people. However, financial options like special savings accounts and trusts may potentially be of use for families of children with disabilities.

Jump to:

- [Personal Accounts for Children with Disabilities](#)
- [Trusts for Children with Disabilities](#)
- [Financial Assistance](#)
- [Resources](#)
- [About the HIE Help Center](#)

Personal Accounts for Children with Disabilities

There are a few types of personal financial accounts that can be created for a child with disabilities. These accounts can help to pay for medical, therapeutic, and other daily costs over the course of a child's life. These accounts can serve as excellent savings options since many are tax-advantaged.

- **ABLE Accounts:** These are savings accounts that are subject to certain tax advantages that other savings accounts are not. Individuals with disabilities are eligible for ABLE accounts if they fall below a designated income and resource level. The first \$100,000 collected in an ABLE account is not treated as an "asset," meaning that beneficiaries are not at risk of losing benefits from public insurance programs like Medicaid. The funds needed to start an ABLE account are often much less than those required to establish a special needs trust (SNT) or a pooled trust. The money in these accounts can be used for anything that considered a "qualified disability expense," which provides some more choice and control



for the individual and his/her family than other special needs savings options. “Qualified disability expenses” may include:

- Medical treatment
- Education, tutoring, or job training
- Transportation
- Assistive devices and accommodations
- Housing
- Legal fees
- More
- **Flexible Spending Account (FSA)**: These accounts allow individuals to set aside money from their employment benefit plan that can be used to help with medical or other qualified expenses. This money is not subject to traditional payroll taxes, but it must be spent by the end of the benefit year. Oftentimes, individuals use these funds to pay for expenses like deductibles, copayments, and medical expenses that are not covered by insurance, as well as certain types of medical equipment and other **items**.
- **Health Savings Account (HSA)**: A health savings account is very similar to a FSA, except that the money can be saved over time in this non-taxed account. Only people enrolled in a **High-Deductible Health Plan (HDHP)** are eligible for an HSA. HSAs are “portable” meaning that if you change employers, the account will move with you, which provides another level of stability to families. As with an FSA, there are certain **items** that can be purchased with the funds from an HSA.
- **Health Reimbursement Account (HRA)**: These accounts are funded solely by employers and set aside a certain amount of non-taxed money that is used to reimburse employees for the medical expenses of their family members. These plans vary based on employer contracts and preferences.

Trusts for Children with Disabilities

Unlike personal savings accounts, trusts are controlled by trustees, who make financial decisions on behalf of a beneficiary, in this case, a child with disabilities. There are often different restrictions regarding how this money is to be spent, but generally it must be used



in the best interest of the designated beneficiary. While many types of trusts exist, there are two that tend to be particularly beneficial for children with disabilities and their families:

- **Special Needs Trusts (SNT):** Special needs trusts may be opened in the name of an individual with disabilities by a family member or loved one. These trusts do not count as income or assets, so their existence will not impact the beneficiary's eligibility for public assistance programs like Medicaid. The money placed in a SNT is under the control of a trustee who is in charge of spending this money in a way that helps the beneficiary. SNT funds can be used on things like personal care attendants, out-of-pocket medical expenses, and accessible home modifications. In the case of a lawsuit, individuals may decide to have their settlement pay into an SNT where it can be managed professionally, rather than in the form of a lump-sum or a structured annuity.
- **Pooled Trusts:** Pooled trusts are often used instead of SNTs in situations where there is no single trustee available, or there is not enough initial funding to open a special needs trust. In pooled trusts, money is given to a non-profit organization who manages it over the course of the beneficiary's lifetime.

Financial Assistance

If you feel you want help making decisions about your child's financial future, or if you simply want a second opinion, it may be helpful to hire someone to assist you. Depending on your situation you might consider:

- **A Financial Planner** – A licensed financial planner is a qualified individual who can advise you on how to spend and allocate your assets. This may be beneficial for your family if you are unsure about how to spend and save your money. There are often financial planners who specifically work with families of children with disabilities. These planners will be well-versed in the many saving and spending options associated with disabilities.
- **An Attorney for Estate Planning** – An attorney for estate planning will function similarly to a financial planner, except that he or she can provide legally binding contracts that work to protect resources for your child. An attorney that focuses on estate planning will be aware



of the potential benefits and drawbacks involved in setting up trusts, and may help you safely allocate your money.

Resources

- [More Information on Funding Disability Care](#)

About the HIE Help Center

The HIE Help Center is run by [Reiter & Walsh ABC Law Centers](#), a medical malpractice firm exclusively handling cases involving HIE and other birth injuries. Our lawyers have over 100 years of combined experience with this type of law, and have been advocating for children with HIE and related disabilities since the firm's inception in 1997.

We are passionate about helping families obtain the compensation necessary to cover their extensive medical bills, loss of wages (if one or both parents have to miss work in order to care for their child), assistive technology, and other necessities.

If you suspect your child's HIE may have been caused by medical negligence, please contact us today to learn more about pursuing a case. We provide free legal consultations, during which we will inform you of your [legal options](#) and answer any questions you have. Moreover, you would pay nothing throughout the entire legal process unless we obtain a favorable settlement.

You are also welcome to reach out to us with inquiries that are not related to malpractice. We cannot provide individualized medical advice, but we're happy to track down informational resources for you.