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Blended Family Special Needs Estate Planning Worksheet

Complete Asset Inventory & Multi-Trust Planning Guide

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Blended Family Special Needs
Estate Planning Worksheet

Complete Asset Inventory & Multi-Trust Planning Guide

This worksheet helps you organize information before meeting
with your estate planning attorney.

Instructions: Complete this worksheet with your spouse before your attorney consultation. Gather supporting documentation for all assets listed. Be thorough and honest—incomplete information leads to inadequate planning.

Purpose of This Worksheet:

- Identify separate vs. marital property
- Calculate lifetime care costs for your special needs child
- Structure multiple trusts that protect all children
- Create a life insurance funding strategy
- Audit beneficiary designations
- Prepare for difficult but necessary conversations

SECTION 1: ASSET INVENTORY - SEPARATE PROPERTY

List all assets owned by each spouse BEFORE the marriage, plus any inherited assets or gifts received during the marriage. These remain separate property unless commingled.

Spouse 1 Name: ____

Asset Description	Current Value	How Acquired	Documentation
Real Estate			
Bank Accounts			
Investment Accounts			
Retirement Accounts			
Life Insurance			
Business Interests			
Vehicles			
Jewelry/Collections			
Other Assets			
TOTAL VALUE			

Spouse 2 Name: ____

Asset Description	Current Value	How Acquired	Documentation
Real Estate			
Bank Accounts			
Investment Accounts			
Retirement Accounts			
Life Insurance			
Business Interests			
Vehicles			
Jewelry/Collections			
Other Assets			
TOTAL VALUE			

SECTION 2: ASSET INVENTORY - MARITAL PROPERTY

List all assets purchased or acquired during the marriage with marital funds. These are typically split 50/50 regardless of whose name is on the title.

WARNING: Commingled assets (separate property sold to buy marital property) may be considered marital property. Your attorney will advise on complex situations.

Asset Description	Title/Ownership	Current Value	Source of Funds	Commingled?
Primary Residence				
Other Real Estate				
Joint Bank Accounts				
Joint Investment Accounts				
Vehicles				
Home Furnishings				
Retirement (funded during marriage)				
Other Assets				
Debts/Liabilities				
TOTAL NET MARITAL VALUE				

SECTION 3: LIFETIME CARE COST CALCULATOR

Calculate the actual cost of lifetime care for your special needs child. Most parents drastically underestimate this number.

Special Needs Child Information:

Child's Name:
Current Age:
Life Expectancy:
Current Living Situation:
Level of Care Needed:

Annual Care Costs:

Residential Care/Housing	$_____________
Therapies (OT, PT, Speech)	$_____________
Medications	$_____________
Medical Equipment	$_____________
Adaptive Technology	$_____________
Recreation/Quality of Life	$_____________
Transportation	$_____________
Other Expenses	$_____________
TOTAL ANNUAL COST	$_____________

Government Benefits Currently Receiving:

SSI Monthly Amount:	$_____________
Medicaid Coverage:	$_____________
Other Benefits:	$_____________
TOTAL ANNUAL BENEFITS:	$_____________

LIFETIME CARE GAP ANALYSIS

Total Annual Care Cost:	**$_____________**
Minus: Annual Government Benefits:	- $_____________
= ANNUAL GAP TO FUND:	$_____________
x Years of Care Needed:	x ____ years
x Inflation Factor (1.05 recommended):	x 1.05
= TOTAL LIFETIME CARE NEEDED:	$_____________

Reality Check: For most families, total lifetime care costs range from $1.5 million to $3 million. If your number is significantly lower, you may be underestimating. Review each category carefully.

SECTION 4: CURRENT FAMILY STRUCTURE

Map out your blended family structure to identify all competing interests and obligations.

SPOUSE 1 INFORMATION:

Name:
Biological Children from Previous Relationships:
Their Ages:
Any Special Needs or Health Issues:

SPOUSE 2 INFORMATION:

Name:
Biological Children from Previous Relationships:
Their Ages:
Any Special Needs or Health Issues:

CHILDREN TOGETHER (if any):

Names and Ages:
Any Special Needs or Health Issues:

SPECIAL NEEDS CHILD DETAIL:

Biological Parent:
Stepparent Relationship:
Current Caregiving Role of Stepparent:
Expected Future Caregiving Role:
Stepparent Willingness to Continue Care if Biological Parent Dies First:

SECTION 5: TRUST STRUCTURE PLANNING

Plan the multiple trust structure that protects all children and prevents conflicts of interest.

1. SPECIAL NEEDS TRUST (Third-Party):

Protects government benefits while providing lifetime care

Funding Amount Needed:	
Primary Funding Source:	
Secondary Funding Sources:	
Proposed Trustee:	
Backup Trustee:	
Remainder Beneficiaries (after child's death):	

2. QTIP TRUST FOR SURVIVING SPOUSE:

Provides income for surviving spouse lifetime, controls ultimate distribution

Funding Amount:	
Annual Income Needs of Surviving Spouse:	
Remainder Beneficiaries (after surviving spouse dies):	
Proposed Trustee:	

3. TRUST FOR SPOUSE 1'S BIOLOGICAL CHILDREN:

Beneficiaries:	
Funding Amount:	
Distribution Ages/Triggers:	
Proposed Trustee:	

4. TRUST FOR SPOUSE 2'S BIOLOGICAL CHILDREN:

Beneficiaries:	
Funding Amount:	
Distribution Ages/Triggers:	
Proposed Trustee:	

SECTION 6: LIFE INSURANCE FUNDING STRATEGY

Life insurance is often the equalizer that funds the special needs trust while preserving other assets for stepchildren and surviving spouse.

CURRENT LIFE INSURANCE POLICIES:

Insured	Company/Policy #	Death Benefit	Current Beneficiary	CHANGE TO:
Policy 1:				
Policy 2:				
Policy 3:				
Policy 4:				
Policy 5:				
TOTAL COVERAGE:				

ADDITIONAL COVERAGE NEEDED:

Additional Amount Needed:
Purpose (SNT funding, spouse income, etc.):
Who Needs Coverage:
Estimated Annual Premium:
Beneficiary Designation:
When to Purchase:

SECTION 7: BENEFICIARY DESIGNATIONS AUDIT

Beneficiary designations override your will. Audit every account and update to align with your trust structure.

CRITICAL: Many estate plans fail because someone updated their will but forgot to change their $500,000 life insurance beneficiary.

Account Type	Institution/Policy #	Current Beneficiary	SHOULD BE (per plan)	Date Updated
Life Insurance - Spouse 1				
Life Insurance - Spouse 2				
401(k)/IRA - Spouse 1				
401(k)/IRA - Spouse 2				
Bank POD Accounts				
Investment TOD Accounts				
Pension/Annuity - Spouse 1				
Pension/Annuity - Spouse 2				
Business Interests				
Real Estate TOD				
Other:				
Other:				

SECTION 8: THE CONVERSATION CHECKLIST

Before implementing this plan, you must have uncomfortable but necessary conversations with your spouse.

Have you and your spouse discussed:

- ☐ Each child lifetime financial needs and realistic cost estimates
- ☐ Caregiving expectations if one spouse dies first
- ☐ Whether you believe in "fair" (needs-based) vs. "equal" distribution
- ☐ Stepparent legal obligation (zero) vs. moral desire to help special needs stepchild
- ☐ Whether to waive elective share rights via prenup/postnup
- ☐ Professional trustee vs. family member as trustee
- ☐ Guardian selection for special needs child
- ☐ Life insurance coverage adequacy and affordability
- ☐ What happens if you divorce after creating this plan
- ☐ Update triggers: remarriage, new children, change in child condition
- ☐ Who handles estate administration and associated costs
- ☐ How to communicate this plan to adult children from previous marriages

If you checked fewer than 10 items: You are not ready for your attorney consultation. Have these conversations first. Assumptions and silence create the lawsuits this plan is designed to prevent.

NEXT STEPS

1. Complete This Worksheet
Fill out all sections thoroughly. Gather supporting documentation for all assets listed. If you do not know exact values, use best estimates and note that they are estimates.

2. Have The Conversations
Work through the conversation checklist with your spouse. These discussions are difficult but essential. If you cannot agree on basic framework, consider couples counseling or mediation before proceeding.

3. Find The Right Attorney
You need an attorney who specializes in BOTH special needs planning AND blended family planning. Interview at least three. Ask: "How many blended family special needs trusts have you personally drafted?" The answer should be at least 10.

4. Schedule Consultation
Bring this completed worksheet, supporting documents, and your list of questions. Budget 2-3 hours for initial consultation. Expect to pay $300-500 for consultation, $5,000-15,000 for complete plan.

5. Implement & Update
After trusts are created, update all beneficiary designations immediately. Purchase any additional life insurance needed. Review and update this plan every 3 years or after major life events.

Additional Resources:

For detailed guidance on each step of this process, visit:
MemorialMerits.com/blended-family-special-needs-estate-planning-guide

You will find:
- Complete 7-step planning framework
- Legal trap explanations with real examples
- Prenuptial/postnuptial agreement guidance
- How to find qualified attorneys
- Downloadable resources and calculators