

IRA Administration for SNTs

2023 19th Annual Changes & Trends Affecting Special Needs Trusts

University of Texas School of Law

Presented by

Peter J. Wall

Director, Fiduciary Services
True Link Financial Advisors, LLC
peter.wall@truelinkfinancial.com
www.truelinkfinancial.com

Stephen W. Dale

JD, LL.M.
The Dale Law Firm
Golden State Pooled Trust
www.dalelawfirm.com
steve@dalelawfirm.com

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Presenter's Bio

Peter J. Wall

- The Director of Fiduciary Services for True Link Financial Advisors
- 20+ years of professional trust administration - Focus in Elder Law and SNT planning



Prior to joining True Link Financial Advisors, LLC:

- Developed and helped lead a dedicated Elder Law and SNT division of an \$80B nationally chartered trust bank
- Past President of the Centennial Estate Planning Council
- Member of the Board of Directors for Easter Seals
- Past President of VSA Access Gallery
- Member of the Academy of Special Needs Planners

Special needs trusts, estate planning, taxation, and trust administration faculty member and presentations include:

- 2016, 2018, 2019, 2020, 2021, 2022 & 2023 Stetson National Conference on Special Needs Planning and Special Needs Trusts
- CBA 2012, 2014, 2015, 2017 & 2022 Elder Law Retreat
- 2013 National Down Syndrome Congress
- 2015 46th Annual Autism Society National Conference
- 2022 Schwab IMPACT®
- 2017 & 2021 National Conference for National Guardianship Association
- 2019 Special Needs Alliance Conference
- 2019, 2020 & 2021 National NAELA Conference
- 2019, 2020, 2021, 2022, 2023 UT Law SNT
- 2020 & 2021 PFAC Annual Conference

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Presenter's Bio

Stephen W. Dale, JD, LL.M

- Stephen W. Dale, Esq., LL.M, is an attorney and disability rights advocate, serving on boards and committees of disability rights organizations.
- Received his JD from Armstrong Law School and his LL.M. in Taxation from Golden Gate University.
- Mr. Dale is a disability rights advocate and spends much of his time attending disability rights activities, including legislative hearings and serving on boards and committees of disability-right's organizations.

- Mr. Dale is a frequent speaker on a variety of disability related topics across the country, and is the recipient of the 2010 Theresa Foundation Award and the 2007 NAELA Powley Award.
- Additionally, Mr. Dale is a long standing member of the Special Needs Alliance.
- Mr. Dale regularly teaches courses to the public, financial professionals, and other attorneys on special needs trusts and trust administration with a special emphasis on achieving independence while maintaining essential government benefits.
- Stephen is also the Trustee of the Golden State Pooled Trust.



Landscape

Retirement Vehicles (6/30/2020)

- \$10.8 trillion in IRAs (34%)
- \$31.8 trillion in employer-sponsored retirement plans (66%)
 - (401(k), 403(b), 457(b), profit-sharing plans, SEP plans, etc.)

Demographics

- 82 million households (64% of U.S.) have some type of tax-advantaged retirement savings
- 76 million baby boomers in U.S. today approaching or at retirement age
 - Many live longer than average (78.7 years)
- 56 million people in U.S. over 65 now; projected to increase to 78 million + by 2035
- Social Security
 - Only guaranteed through 2035
 - After 2035 - may only be 3/4 funded

	U.S. Households	% of U.S. Households
Traditional IRA	36.8M	28.6%
SEP, SIMPLE IRA	8.6M	6.7%
Roth IRA	26.3M	20.5%
Any IRA	47.9M	37.3%

Source: ICI Research Perspective, Jan 2021, Vol. 27, No.1
 *Note: households may own more than one type of IRA.

IRAs – General

IRAs

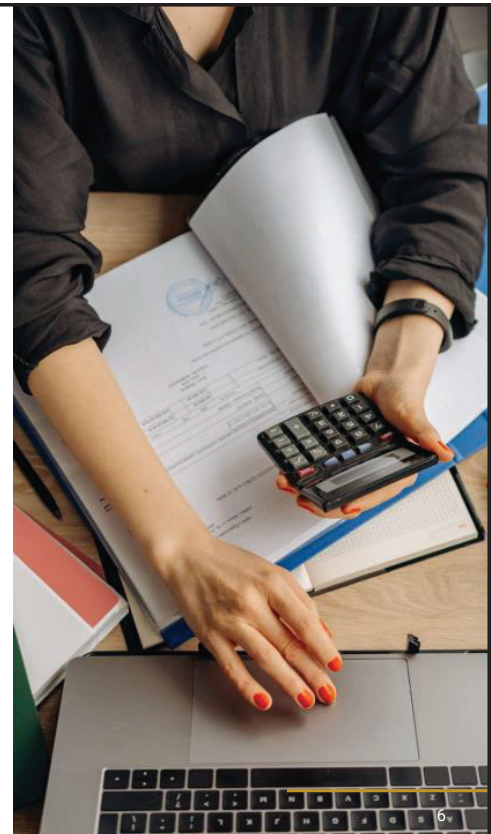
- Tax-advantaged savings account for retirement
- “Individual” vs. “Employer-Sponsored” (401(k), etc.)
- Total contribution amount across all retirement accounts: \$22,500 (2023)

Types

- Traditional IRA
- Roth IRA
- Simplified Employee Pension (SEP) IRA
- Savings Incentive Match Plan for Employees (SIMPLE) IRA
- Rollover IRA
- Inherited IRA

Early Withdrawals

- 10% federal tax penalty if withdrawn before age 59 ½
 - Exceptions:
 - \$10,000 “first-time” home purchase
 - Qualified education expenses
 - Permanent disability
 - Unreimbursed/uncovered medical expenses > 7.5% AGI
 - Health insurance premiums while unemployed 12 weeks +
 - Substantially Equal Periodic Payments (SEPP)
- Still taxed as income



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[2023 Special Needs Trusts eConference](#)

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