



The ARCare Times

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A note from Barb Helm
Executive Director

Hello, the first half of the year has passed and oppressive heat has settled in on the Midwest. Last night the weather man reported that cooler temperatures are just around the corner. I hope by the time this newsletter hits your mailbox there will be some relief from the heat.

This edition of the ARCare Newsletter focuses on financial issues. You will find information on Special Needs Trusts, the ARCare Payee Program and comments from our financial manager at UMB. Our board treasurer, Larry Glennemeier is featured in the profile article.

Recently there have been changes in government regulations which effect Special Needs Trusts, particularly Pooled Trusts. In October, I will be attending the Stetson College of Law National Conference on Special Needs Trusts so that I stay abreast of changes and other issues which may impact our program. The conference also gives me an opportunity to interact with other professionals who work daily in the area of Special Needs Trusts.

In late September, Janice Godsey and I will attend a National Plan Alliance conference where we will attend workshops, share, and learn from other future planning organizations like ARCare, Inc.

I hope you enjoy the newsletter and are encouraged to address the financial issues which impact your family member with a disability. If you would like more information about ARCare Programs, please do not hesitate to call the office or view our website

at www.arcare.org. We recently updated our website to include a webinar on our Trust Program.

ARCare Representative Payee Program

Many parents, far into their retirement years, serve as their child with a disability's representative payee and/or money manager. We often talk with parents who are looking for help with this task. Sometimes, other family members will assume this responsibility, but more often than not another family member is unwilling or unavailable. The ARCare Payee Program can bring needed relief to families who are in this situation and looking for someone to assist them with this important job. This transition from parents as payee, to ARCare, can be remarkably smooth when the parents are actively involved and able to give direction to ARCare.

ARCare, Inc. is an Organizational Representative Payee Program appointed by the Social Security Administration. ARCare has four Payee Coordinators and has recently hired Jeff Bates as Manager of our payee program. We currently provide payee services to 240 individuals with a wide range of disabilities. These disabilities include developmental disabilities, mental illnesses, traumatic brain injuries and physical disabilities.

Some individuals come to us who have not previously had a Payee. In many situations, they have overdrawn bank accounts, credit card debt, and unpaid or disconnected utilities. Eviction is sometimes looming. As an Organizational Representative Payee

Program, ARCare ensures that Social Security benefit payments are used to avoid these emergencies and to provide for basic needs, thus helping the beneficiary to achieve a more secure environment.

In its tenth year as an effective Representative Payee Program, ARCare provides stability to beneficiaries so that they may work toward more independent living, improved familial relationships, and ultimately, less dependence on families and public resources like homeless shelters, food pantries, housing authorities, and public safety agencies; and lower risk or liability to utilities, financial institutions, merchants and various creditors.

In addition to money management, ARCare often helps the beneficiaries establish a budget, apply for other benefits, and negotiate with creditors. If you would like to learn more about our Payee Services please contact the ARCare office.

The Long, Hard Slog to Recovery George K. Hersh, Jr., CFA

UMB Asset Management would like to present the Mid-Year results of the ARCare Trusts for 2010. The Equity markets have recovered from the May swoon, but remain at levels not much higher than at the beginning of the year. Interest rates remain at historically low levels in the fixed income markets.

Results for 2010 through June 2010:

- ARCare Trust I has now reached \$2,535,013. This fund showed a total return down 0.72% for the YTD period ending June 30, 2010. This compares to a market return during the same period up 0.11%.
- ARCare Trust II is now at \$11,127,501. This fund's total return was up 0.07% for the YTD period ending June 30, 2010. This compares to a market return during the same period down 0.14%.
- Over the last 52 weeks, both portfolios were in positive territory.

Trust I up 6.71% and Trust II up 7.58%.

We continue to look for a challenging economic environment through year-end with economic momentum slowing over the next couple quarters. Second quarter 2010 real GDP was up only 2.4%. Bill Greiner, our Chief Investment Officer, expects the job growth rate to average no better than 150,000 jobs per month for the third quarter of this year. Many in the economics field believe the economy needs to generate 150,000 jobs monthly for the jobs picture to "break even" (mainly due to rising population). So, we expect the unemployment rate to remain elevated for some time. As a result, consumption growth rates should remain poor and savings rates high.

Having said that, we remain positive on the outlook for the stock market. Company profits are running very strong in this reporting season with valuations very reasonable for these high profit levels. We have adjusted our weightings in the ARCare portfolios to take advantage of these changes.

UMB looks forward to serving ARCare through these turbulent times.

Special Needs Planning Tips

Summer seems to set a slower pace for a lot of families. It may be a good time to begin the estate planning process or to review your current plan. Perhaps accomplishing this task was a New Year's resolution for 2010. It is half way through the year; do not let the rest of it slip by. Below are some practical tips to consider in the Estate Planning Process.

1. Don't disinherit the family member with special needs. This is an out-of-date approach dividing assets amongst the other children and intentionally disinheriting the child with a disability. This type of planning is entirely unnecessary and often

leaves the parents and children feeling uncomfortable. A much better option is to allocate some funds to a *THIRD PARTY SPECIAL NEEDS TRUST* which will benefit the child without interfering with public benefits.

2. Carefully consider the division of assets among your children. Take the time to consider the specific and potential needs of your heirs. It is solely your decision how you divide your assets. It is not uncommon for parents to allocate more of their estate to their child with higher needs, particularly when their other children are leading productive, self sufficient lives.
3. Choose the trustee of a special needs trust carefully. The trustee will most likely have “sole and absolute discretion” of how funds in the trust are distributed to your loved one. While the choice of a trustee may be an adult sibling or other close family member, consider the conflicts that may arise between siblings when one of them is serving as a “money manager” for the other one. There may be an inherent conflict of interest if the family member trustee is also a future trust beneficiary.
4. Consider a Pooled Trust. Pooled trusts are becoming more and more popular in the world of Special Needs Estate Planning. The advantages of a pooled trust include: funds are pooled for investment purposes providing a greater opportunity for growth; administered by nonprofit organizations, usually have lower fees and will manage smaller trusts than banks or trust companies; managed daily by professionals

familiar with Federal and State laws and regulations, makes necessary reports to public agencies, distributions are prompt and staff is knowledgeable and sensitive to the needs of persons with disabilities.

5. Consider a letter of intent or a future care plan for your loved one with a disability. The ARCare Plan Program assists families in planning for the future of loved ones with disabilities. The plan enables families to carry on the circle of care, so that the quality of life for their loved ones continues into the future.
6. Don't forget to talk with grandparents or other relatives who may want to name your child with a disability as a beneficiary in their estates. In order to preserve benefits it is imperative that potential inheritances be directed to a special needs trust for the child with disabilities. The pooled trust allows for funding from relatives or friends who choose to name it as a beneficiary. It is also a cost effective way to avoid other family members having to prepare separate special needs trusts for the child.
7. Most importantly: seek good legal advice. ARCare can assist you in finding a lawyer to guide you through your estate planning process.



Member Profile: Larry Glennemeier
Treasurer

By Mary Neil

“The growth of the Trust I and Trust II Programs has been a significant achievement for ARCare during the last dozen years or so,” said Larry Glennemeier in a recent interview. “These Special Needs Trusts have grown rapidly and continue to grow. In turn, this resource has helped to provide other ARCare services for individuals with disabilities.”

Larry is a member of the Board of Directors and serves as Treasurer. In fact, he joined the organization when ARCare, Inc. first began to offer Special Needs Trusts in 1996, in order to help establish policies and procedures for the program. He attended several Board meetings and observed “that the members of this organization have genuine concern for the constituents they serve.” He joined the organization and has now been with ARCare for 14 years.

A native of Kansas, Larry grew up on a third-generation farm in the northwest part of Kansas, in Densmore. The work could be hard but Larry points out that they “had a 360-acre backyard to play in and the nearest neighbor was one mile away. I might have continued to farm if it had been viable.”

He attended Ft. Hays State College (now University), majoring in business, with an emphasis in accounting. (“The idea was to get a job.”) After graduation, he was recruited by the international accounting firm, Arthur Andersen & Co., and later Coopers & Lybrand. He worked in Kansas City, Missouri and rose through the ranks. When he left Coopers & Lybrand to start his own accounting firm in Overland Park, Kansas in 1975, several clients followed him.

Now in business for 35 years, Larry likes not being employed by someone else. He notes, “I like waking up in the morning and if I don’t get into the office on time, no one cares but me.”

Larry and his wife, Mickey, have been married for 45 years. They have three

children and seven grandchildren. Son, Dave, teaches Physical Education at the high school in Rose Hill, Kansas. Daughter, Susan, who lives in Kansas City, is an actress and works for the Johnson County Library system. Daughter, Karen, is an environmental biologist for the Audubon Society in Chicago.

Recently, Larry returned from a backpacking trip in Colorado with his son; grandson, 18; and granddaughter, 14. “Backpacking was a first for them, so I had to coordinate and lead the activities, which I really haven’t done before. I surprised myself and them. It was a wonderful trip. I’ve been backpacking on trips with the Sierra Club for over 20 years, and they provide the trip plan and leaders.” Larry joined the Sierra Club in 1977 to support environmental concerns. Ten years later, he began backpacking with the organization.

Barb Helm, Executive Director, describes Larry’s contributions, “He has been a key figure in the development and success of the Special Needs Trust Program. Larry is our go-to person when we have questions regarding taxes and other financial issues which affect ARCare programs.” She adds, “He is unfailingly generous with his time and expertise.”

In his usual straightforward manner, Larry states, “Through my work for ARCare, I have gained insight into the lives and difficulties of individuals with disabilities which I never would have otherwise. There is a huge need for services for this population.”





Thank you for your 2009
Contribution to ARCare

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