Proxy Parent Foundation newsletter

FALL 2024 ISSUE 31

INSIDE THIS ISSUE

1 Message from our Managing Director
Bruce Lewitt

Can a Special Needs Trust Be Funded with a Retirement Account?
Baron L. Miller

2 Embracing a New Perspective
Carol Larkin

3 Review of Patrick Kennedy's *Profiles in Mental Health Courage*
Marv Southard

PROXY PARENT FOUNDATION

As the Trustee of the PLAN of California Master Pooled Trust, we are open to serving any disabled person in California.

We offer Personal Support Services for our beneficiaries with mental illness or other brain disorder who have joined our Master Pooled Trust.

We coordinate public and private social services as well as provide access to healthcare. Working directly with beneficiaries is how we create a family-like atmosphere that maintains a better quality of life for them.

Proxy Parent Foundation is a dba of Planned Lifetime Assistance Network (PLAN) of California, a 501(c)(3) nonprofit corporation.

Proxy Parent Foundation
15243 La Cruz Drive, #889
Pacific Palisades, CA 90272
714.997.3310
www.proxyparentfoundation.org

Message from our Managing Director

Bruce Lewitt



Among our 185 active beneficiaries of the PLAN of California Master Pooled Trust, only one, Jerry R., is chronically homeless. Thanks to Eric Asa Dorian, Jerry's personal support specialist since Jerry's Special Needs Trust was funded 10 years ago, Jerry has been signed up for numerous waitlists for public housing. In the meantime, Eric visits Jerry several times a month, wherever Jerry happens to be. Eric buys Jerry a meal, gives him gift cards for movies, and alerts him to where shelters are open and where food and medical care are available. Eric also encourages Jerry to engage with outreach teams from Orange County Mental Health instead of running in the other direction when they approach him.

Jerry has moved up to the top of the housing waitlist over the years but still prefers to sleep in parks, in a tent on the Santa Ana River, or in jail for shoplifting. You might ask why I'm writing about Jerry when other family left—just Eric and a retired psychiatrist who's an old family friend of Jerry's, whom Jerry sometimes visits or otherwise stays in touch with by phone. As always, I'll continue to mind the funds in Jerry's special needs trust so they'll be available if and when he decides he's simply gotten too old for a life dictated by irresistible wanderlust. To us, everyone matters, so I hope you join me in the wish for Jerry to finally tell Eric, "Yes, I'm ready for one of those apartments you keep talking about."

Our newsletter features PPF Board Member Marv Southard's review of *Profiles in Mental Health Courage*, a book that offers compelling stories about the bravery and resilience of individuals who live with dual diagnoses: mental illness and addiction. Dr. Southard is a formidable source of wisdom, as the past Director of the Los Angeles County Department of Mental Health, the largest public mental health agency in the U.S. PPF Board Member Baron Miller, a practicing attorney in San Francisco and author of *Laws We Need To Know*, has updated his previously published article, "Can a Retirement Account Fund a Special Needs Trust?" PPF Assistant Managing Director Carol Larkin writes about how the timing of her joining our staff coincided with her young son's autism diagnosis.

Can a Special Needs Trust Be Funded with a Retirement Account?

*Baron Miller, PPF Board Member**
Note: This is an update of an article published by the author in the Proxy Parent Foundation Newsletter in 2015.



Personal retirement accounts – IRA's, 401k's, and the like – are popular devices for savings and investment. The chief benefit of most is that no income tax is paid on the earnings contributed to the account, nor on the earnings of the account, until they are withdrawn and distributed to the contributor or to a designated beneficiary.

There is an expectation that distributions will occur after the contributor's retirement or death – at a time when the contributor or her successor to the account has a greater need for the money and is in a lower tax bracket. There is an IRS requirement that retirement account owners begin to take distributions and pay taxes on them no later than age 73, but no withdrawal is required until then.

The contributor/owner of a retirement account has the ability to designate an after-death



Who will care when I'm not there?

beneficiary of the account, one who can then become the owner of the account with the right to take distributions from it through a process known as a "rollover." If a disabled person who is receiving SSI and/or Medi-Cal were designated a beneficiary of a retirement account she would almost certainly lose her eligibility for these public benefits, but a special needs trust ("SNT") established for her could roll over the account and be able to use it for her without any effect on her public benefits.

What must be taken into consideration when designating an SNT as an after-death beneficiary of a retirement account is that there will be income taxes to pay on all money received from the account. This means that the SNT will effectively receive from the account only net after-tax distributions. Also important to know is that if the gift to the SNT is not structured correctly there could be a requirement to take taxable distributions from the account before the distributions are needed.

A specific advantage to designating an SNT as the after-death beneficiary of a retirement account is the ability of an SNT to take distributions over the lifetime of the SNT beneficiary instead of over 10 years, which is the case for most other non-spouse retirement account beneficiaries. The money can be withdrawn as needed – an SNT would also be required to take a distribution from a retirement account once the SNT beneficiary turns 73 – so the taxable withdrawals could be delayed if the money is not needed. And the law now allows a charitable organization, such as Proxy Parent Foundation, a dba of PLAN of California, to be a designated beneficiary after the death of the SNT beneficiary. This is significant for a PLAN of California trust since Joinder Agreement provisions provide for a minimum payment to PLAN of 25% of the then SNT balance on the death of the SNT beneficiary.

The basic rules which will allow an SNT to roll over a retirement account so that it can take distribution of the money in the account over the beneficiary's lifetime are as follows: the SNT is validly established under state law; it is an irrevocable trust; all of its beneficiaries are identifiable; and certain documentation is provided to the retirement account administrator. These rules must be precisely followed.

When providing in an estate plan for a distribution of a retirement account, or a portion of one, to an SNT, it is safest to designate the SNT as the beneficiary instead of designating a living trust. There may be an expectation that the living trust would transfer the account to the SNT, but it could be risky as the IRS might treat the SNT as a non-inheritor of the account, which would destroy the ability to withdraw funds over the beneficiary's lifetime instead of over 10 years.

When funding an SNT with a retirement account care needs to be employed, but if the rules are followed it can be a good source of money, and with tax advantages. Again, the contributions and any earnings avoid taxation until distributed sometime in the future, and the payments can be stretched out over the SNT beneficiary's lifetime.

**Baron Miller is a board member of Proxy Parent Foundation. He has an adult child with schizophrenia. His law practice is focused on assisting families of persons with mental illness.*

He has written a book, LAWS WE NEED TO KNOW: UNDERSTANDING RULES AND PROGRAMS FOR PERSONS WITH MENTAL ILLNESS, which is available from online booksellers in print and digital formats, or at www.baronmillerlaw.com.

Embracing a New Perspective:

How a Family Member with Autism Shaped My Passion for Working with Special Needs Families

Carol Larkin



I began my role at Proxy Parent Foundation just a few months after my son was diagnosed with autism. It felt serendipitous that, as I embarked on the journey of supporting my son, I found myself surrounded by the wisdom of families who had already navigated similar challenges. Whether facing autism, mental illness, or physical disabilities, we all share a common goal: to ensure our children not only survive but thrive.

Navigating the care and resources that my son needs has illuminated the myriad of ways special needs can impact lives. My role as a mother has expanded to include being an advocate, care coordinator, part-time therapist, and even a professional insurance fighter. These experiences have deepened my appreciation for the unique needs of each individual and underscored the importance of providing tailored, compassionate support. This understanding has become a cornerstone of my professional practice, guiding me to approach each case with empathy and an informed perspective.

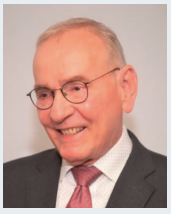
Incorporating these personal experiences into my work has allowed me to build stronger, more supportive relationships with the families I serve. I've come to value the importance of listening and adapting to the specific needs of each family, recognizing that no two journeys are alike. This personalized approach not only enhances the effectiveness of the support provided but also ensures that families feel understood and validated in their experiences.

Proxy Parent Foundation

BOOK REVIEW:

Review of *Profiles in Mental Health Courage*, by Patrick J. Kennedy (April 30, 2024, 336 pp.)

*by Marv Southard**



I am just finishing Patrick Kennedy's *Profiles in Mental Health Courage* and consider it a must-read for all of us in the Proxy Parent family and, in fact, for anyone in the behavioral health field—whether a person with lived experience, a provider, a caregiver, or a family member. I felt this way upon reading the introduction in which Kennedy explains the futility of providing help to individuals or making effective policy change without recognizing the intertwined nature of mental illness and addiction in the context of the pursuit of overall health and wellness.

In the case of my own family member, stigma and shame related to experiencing social anxiety led to seeking relief with substances, which led to addiction. The addictions created more intense mental health issues that brought about several near-death experiences. This book's stories illustrate the struggles with understanding and acceptance that can impede recovery. They also detail how family support and the understanding of friends can be the platform for lasting recovery. Many of the stories in this book show how treatment success was hampered if mental illness and addiction were not considered and treated together.

Former Congressman Kennedy recognizes these challenges from his own journey of recovery and is trying to give voice to people from all walks of life (some of them famous) who live with behavioral health conditions (most co-occurring) and the courage they show in their struggle for recovery. In the 12 chapters of Profiles, he shows us more than a dozen people with complex behavioral health conditions from all sectors of American life, across various ages, ethnicities, and economic backgrounds, to paint a portrait of the behavioral health challenges in this nation today. He has accomplished this thorough in-depth interview with the subjects, their families, care providers, and friends, accompanied by co-author Stephen Fried. They also had access to complete medical records of all types.

He shares Justin's story about a talented African American young man whose extremely supportive family and friendship network at first enabled his illness but later was the key to his eventual recovery—a recovery that was complicated by the challenges of receiving proper care during the pandemic. We hear stories of individuals whose recovery was impeded by poverty (Miss Tonie) and those whose recovery was slowed by privilege (Gabrielle) and how they had the courage to overcome those obstacles. We meet Henry, who, upon starting college, would not have survived the impact of major depression despite treatment without the consistent help of his family and his friend Hannah. And Naia, whose childhood trauma left her vulnerable to depression despite her immense talents.

During my years as Mental Health Director in Los Angeles County and as Behavioral Health Director in Kern County, it was my privilege to meet with individuals in the process of recovery and family members such as those in Proxy Parent, whose personal descriptions of the struggles toward hope, wellness, and recovery inspired me to do all I could to make our treatment systems better and more accountable. I learned that the opportunities for individuals and families to have a voice—a voice that is too often muted by stigma, shame, and false information—are crucial to any recovery process.

In our walk of discovery during the almost fifty years I have worked in behavioral health, we have learned the role that trauma, as well as genetics and family dynamics, play in the development of these problems. We have also learned that addiction and mental illness can cause the loss of one's voice and sense of being listened to, and this makes recovery more difficult. But we have also learned and seen in our own families that recovery is possible and therefore hope is realistic. The presentation of real problems coupled with real voices and genuine movement toward hope, recovery, and wellness is the gift offered to us in this book. The last two lines of the Afterword summarize this gift. Patrick Kennedy says: "I am lucky to have been able to create a book like this, and I hope that it helps encourage broader and more in-depth mental health family storytelling. I hope and I pray that these profiles in courage can inspire, humble, energize, and remind us that there is no health without mental health." It was my luck to have read this book, and my hope is that its aims are achieved. May they also be yours.

Dr. Marvin Southard is a board member of Proxy Parent Foundation and former Director of the Los Angeles County Department of Mental Health, with a budget approaching $3 billion, serving more than a quarter of a million people annually. On leaving government service, Marv served as a Professor of Practice at the University of Southern California School of Social Work where he developed the DSW degree program. After leaving USC, he and several colleagues formed Capstone Solutions Consulting Group. He is also a Governor's appointee to the Board of the California Institute of Regenerative Medicine where his role is to monitor applications for funding for their commitment to DEI principles and serve as mental health advocate.

Proxy Parent Foundation
15243 La Cruz Drive, #889
Pacific Palisades, CA 90272

ADDRESS CORRECTION REQUESTED

Non-Profit Org.
US POSTAGE
PAID
Los Angeles, CA
Permit #2112

Please let us know if you would prefer
receiving our newsletter by email. Thank you.
info@proxyparentfoundation.org

BOARD OF DIRECTORS

Officers
Joe DeCarlo, MBA, *President (Managing Partner, JD Property Management)*
Tom Stevens, *1st Vice President (Chairman, Los Angeles Capital Management)*
Marvin Southard, D.S.W.,, *2nd Vice President (Director, LA Dept. of Mental Health, Retired)*
Deborah Starkey, MBA, *Treasurer (CFO, Turning Point Community Programs)*
Bruce Lewitt, *Secretary (Managing Director, Proxy Parent Foundation)*

Members at Large
Randall Hagar, *Member at Large (Policy Consultant, Psychiatric Physicians Alliance of California)*
Steve Pitman, *Member at Large Board President, National Alliance on Mental Illness (NAMI)*

Board Members
John Buck, *Past CEO, Turning Point Community Programs*
Gary M. Chang, Esq., *Attorney at Law*
Armida Colmenares-Stafford, *1st V.P./Sr. Relationship Manager, Pacific Premier Bank*
Elizabeth Galton, M.D., *Psychiatry*
Kerry Dean Kravitz, M.D., Ph.D., *Psychiatry*
Naomi Levi, *Senior Clinical Director, The People Concern*
Sheree Lowe, *V.P. of Behavioral Health at California Hospital Assoc.*
Baron Miller, Esq., *Attorney at Law*
Jennifer Wellenstein, MA, LMFT, *Deputy Chief Operations Officer, Turning Pt. Community Program*

Emeritus
Michael Antonovich, *former Los Angeles County Supervisor*
Bob Brooks, *Retired Businessman*
Ann Eldridge, *Retired Nurse*
Carla Jacobs, *CEO, Roy W. Smith Foundation*

I wish to help support Proxy Parent Foundation

A DBA of Planned Lifetime Assistance Network of California

Enclosed is my Tax-deductible donation of

$ _____

○ Please use this donation to provide Proxy Parent Foundation's help to those who need it in the "here and now".

○ Please use this donation as our Proxy Parent Foundation enrollment donation. (Enrollment donations must be $1000 or more and can be made in payments.)

Name of donor: _____

Address: _____

City: _____

State: _____ Zip: _____

Phone: _____ Email: _____

Please make your check payable to:

Proxy Parent Foundation
15243 La Cruz Drive, #889
Pacific Palisades, CA 90272

Or by credit card, go to our website at www.proxyparentfoundation.org