



PLANNING FOR A SPECIAL NEEDS TRUST

Families with a physically or developmentally disabled child should consider setting up a trust to provide for their child's special needs. This trust is often referred to as a "special needs trust". The special needs trust provides support over and above resources which may be available to the child under Medicaid or SSI. The establishment of such a trust is often done in conjunction with one's estate planning, and the services of an attorney are recommended. Some key points that should be taken into consideration are:

- What resources are allowed under the State and/or Federal Medicaid programs;
- What property should a parent consider transferring to such a trust;
- Who should serve as the Trustee, i.e. the person or institution responsible for administering and making decisions for the trust;
- Whether the trustee should be required or requested to consult anyone with respect to distributions;
- Whether both principle and income should be available if the Trustee deems necessary;
- Whether the trustee should be required to be informed of the requirements for government benefits;
- Whether the trustee should be available for rehabilitative care, recreation, entertainment, vacation, travel, reimbursement of other family expenses incurred for travel;
- Under what circumstances should the trust be terminated; and
- Upon termination of the trust, to whom should the remaining assets be distributed.

Diligent planning for one's family now may avoid unfortunate consequences later. To the extent possible, the consultants at *Special Needs Financial Advocates* at 719-388-0215 are available to assist you.