

# Special Needs Trusts



If you have a loved one with special needs, planning for continued care in case you die or become incapacitated is an important consideration. Usually parents, brothers or sisters or some other relative sets up these trusts and they are not commonly used until a death or incapacitation occurs. In other words – while you are here you take care of lots of incidental things for your loved one. When you are gone or cannot do these things – then the trust would kick in.

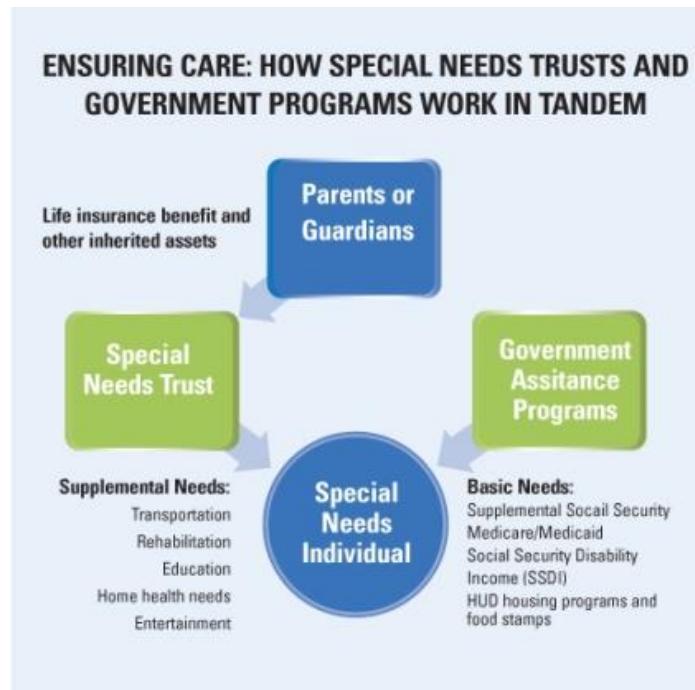
The main reason a trust is so important is to protect your loved one from losing government benefits such as Medicaid, state housing assistance, food subsidies and such. These are income and asset based programs and simply providing extra money to help out a special needs individual could compromise their qualifications for assistance and end up creating a

huge problem if medical or other benefits were lost.

It is usually a good idea to set up a trust and begin funding it as soon as you realize it is necessary. Although you can wait to fund it until after your death – as with a life insurance policy – having money going into the fund on a regular basis during your lifetime means there are funds available for use at your direction. It is especially important that your family and friends be aware of the trust and how it works. You do not want any inheritance or gifts made directly to your special needs child but to the trust.

Control of the money in the trust is the responsibility of the trustee. Most often this is you during your lifetime and someone you trust and designate to replace you when you die or become incapacitated. Many Trustees are now using professional administrators or qualified money managers to do the actual day-to-day work of the trust management. There are no restrictions on when the money can be used. These trusts are normally used to supplement or enhance the quality of life for the beneficiary – your special needs loved one. Government programs usually provide food, housing, medical

costs etc. and the trust funds can be used for things like special travel, computers, TV's special training, companionship services and other things that are not counted against your loved ones qualification for Government benefits.



There are three basic types of special needs trusts and each one has a particular purpose. You need to work with an Attorney who is experienced in developing these trusts. Don't be afraid to ask how many they have written. Check and see if they are a member of the [Special Needs Alliance](#) or other nationally known organization dealing with the legal needs of individuals with special needs.

Administering a SNT does require careful attention and many find the services of The Caregiver Foundation to be an effective way of ensuring proper Trust management.



*NOTE: The Caregiver Foundation, its staff and Directors does not provide medical, investment, legal or financial advice. Always consult your own professional advisors before acting on any ideas or suggestions presented.*

**The Caregiver Foundation** is a Hawaii-based 501(c)3 not-for-profit charity established to support the practical and emotional needs of Caregivers and those needing care.

Visit

[www.thecaregiverfoundation.org](http://www.thecaregiverfoundation.org)

Email

[info@thecaregiverfoundation.org](mailto:info@thecaregiverfoundation.org)

Telephone

**808-625-3782**