

Special Needs Trusts - An Informational Article

by Sheri R. Abrams, Attorney at Law

<http://www.sheriabrams.com>

Why Would Someone Need a Special Needs Trust?

Many well-intentioned parents don't realize that an inheritance may cause many problems for their disabled or special needs child.

Under current Federal law, any inheritance of more than \$2,000 disqualifies individuals with disabilities from most federal needs based assistance, including Supplemental Security Income (SSI) and Medicaid. Benefits from state public assistance programs may also be affected.

A Special Needs Trust, however, offers a means of protecting your child's eligibility for these benefits, while addressing the ongoing care and needs of your disabled or special needs child.

What are the Advantages of a Special Needs Trust?

The primary advantage a Special Needs Trust offers over a direct gift or inheritance is that, if arranged properly, the assets in the trust do not actually belong to the beneficiary. In this way, the trust can provide benefits to an individual but not cause the individual who has a disability to be disqualified from government programs.

A Special Needs Trust holds title to property for the benefit of a child or adult who has a disability.

The Special Needs Trust can be used to provide for the needs of a person with a disability and to supplement benefits received from various governmental assistance programs.

Special Needs Trusts typically provide for:

- medical and dental expenses;
- eye glasses;
- annual independent check-ups;
- transportation (including vehicle purchase);
- equipment;
- training programs;
- maintenance;
- education;
- insurance (including payment of premiums);
- rehabilitation; and
- essential dietary needs.

Special Needs Trusts also may allow a trustee to give the beneficiary money for:

- various forms of entertainment (e.g., movies);
- electronic equipment;
- trips and vacations;
- computer equipment;
- athletic training and competitions;
- companion services/home health aide; and
- other items to enhance self-esteem.

A trust can hold cash, stocks, personal property, and real property. It can own and/or be the beneficiary of life insurance.

Special Needs Trusts also can be used to protect personal injury settlements or judgments from jeopardizing government benefit eligibility.

Most importantly, Special Needs Trusts can help parents coordinate their estate plans and provide peace of mind that their child will be provided for.

An Attorney with knowledge of Special Needs Trusts can assist parents, family members or friends establish a Special Needs Trust, during their lifetime or by a Will, for a disabled person without risking that person's eligibility for public benefits

An Experienced Attorney can also establish an Special Needs Trust for the benefit of a disabled person using that person's own funds - without incurring a penalty period for Medicaid.

For more information, contact Sheri R. Abrams, Attorney at Law, <http://www.sheriabrams.com>