

Top 5 Considerations for a Special Needs Trust

- 1) You must have a disability to qualify for an SNT, and you need to be receiving or qualified for income benefits (SSI, SSDI) and income-based services (Medicaid).
- 2) Individuals who open an SNT do so because they have access to more than the \$2,000 resource limit Medicaid allows. This could be money from a back payment, inheritance, a personal injury settlement, liquidation of personal assets including wages or another source
- 3) Parents/grandparents who want to help an adult with a disability may do so through a third party trust; trusts may be opened without funding (deferred funding) and become the beneficiary of a will, a life insurance policy, etc. (third party trusts)
- 4) Special Needs Trusts are irrevocable; money placed into any type of SNT may only be used for the sole benefit of the beneficiary, and may not be used for primary expenses that income benefits should cover: rent/mortgage, groceries, primary utilities, first-line medical (must use Medicaid first). Most other expenses can come from trust: cell phone, cable, home improvements, non-traditional therapies, auto purchase/repair, vacation/entertainment, etc.
- 5) Individuals with disabilities may have more than one SNT, there are no limits to contributions and they are typically portable from state to state.

Top 5 Considerations for a 529-A (ABLE Act) Account

- 1) Your disability must have been determined before age 26.
- 2) ABLE Accounts are owned by the beneficiary, and distributions must be related to the individual's blindness or other disability. Allowable expenses: Education, Housing, Transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and admin services, legal fees, expenses for oversight and monitoring, funeral and burial.
- 3) Housing payments for SSI Beneficiaries made from ABLE funds will NOT be considered In Kind Support and Maintenance (1/3 reduction) as long as distributions are spent within the same calendar month. Unclear how other programs (Medicaid, Section 8) might treat them.
- 4) Individuals with disabilities may have only one 529-A Account, to which anyone may contribute; contributions are limited per year to the gift tax amount (\$15,000 in 2018) and \$100,000 lifetime (before SSI benefits are affected)
- 5) The account holder manages his/her own distributions. The administrator has no discretion; the account holder must understand the consequences of inappropriate distributions.
- 6) The remainder is paid to Medicaid (even third party contributions) upon the death of the beneficiary.

Call or write today for more information.



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	Membership	CFPD as Limited Power of Attorney	Fee-for-Service
Assist with Enrollment in ABLE Account---Provided to all ABLE Enrollees Free of Charge	✓	✓	✓
Public Benefits Access Review	✓	✓	
Advise on appropriate expenditures from ABLE Account up to 1 hour/mo *	✓	✓	
Regular updates re: ABLE via email	✓	✓	
Training classes on ABLE---every other month	✓	✓	
Membership to CFPD's Blog re: ABLE with contributions from participants.	✓	✓	
Develop Budget for ABLE Account		✓	
Select appropriate Investment Account Option		✓	
Administer Account and review all distributions		✓	
Monitor Account for appropriate annual contributions		✓	
Terminate Account and pay all necessary estate recovery OR Transfer Account		✓	
Referrals to Professionals in CFPD's Network of Providers (Ex: Attorneys, CPAs, Professional Guardians/Conservators, Financial Planners, etc.)	✓	✓	✓
Complete redetermination paperwork for government benefit programs (Ex: SSA, Medicaid)			✓
Advise on Eligibility for additional government benefits programs			✓
Assist in Application for Government Benefit Programs where applicable			✓
Serve as Conservator when necessary			✓
Coordination of Services			✓
Case Management			✓
* = Phone calls/advice in excess of one hour per month will be billed at \$120/hour for case management			
Cost of Service:	\$150.00 per year, charged annually	\$250.00 per year, charged annually	\$120/hour, billed in 6 min. increments