

Setting Up a Special Needs Trust

This playbook outlines the sequential steps necessary to create a Special Needs Trust. The purpose is to provide financial support for a person with special needs without jeopardizing their eligibility for government benefits.

Step 1: **Assessment**

Evaluate the beneficiary's needs and eligibility for government benefits. Consult with a financial advisor or attorney to understand the impact of a trust on those benefits.

Step 2: **Legal Counsel**

Hire an attorney who specializes in Special Needs Trusts. They can guide you through the legal requirements and ensure the trust is properly set up to maintain government benefit eligibility.

Step 3: **Choose Trustee**

Select a trustee who will manage the trust's assets. This should be someone trustworthy and capable of managing financial affairs, often a family member or a professional trustee.

Step 4: **Draft Trust**

Work with your attorney to draft the trust document. This document should outline the terms of the trust, the powers of the trustee, and the rights of the beneficiary.

Step 5: **Funding**

Decide on the funding source for the trust. This may include personal assets, life insurance policies, or inheritances. Fund the trust accordingly.

Step 6: **Finalize**

Review the trust document thoroughly. Ensure all parties understand their roles and responsibilities before signing and notarizing the trust document.

Step 7: **Register Trust**

Register the trust with appropriate state agencies if required. This step may vary depending on your location and the type of trust you have created.

Step 8: **Inform Agencies**

Inform government agencies of the trust's existence. Report it correctly to avoid affecting the beneficiary's eligibility for government programs like Medicaid or Supplemental Security Income (SSI).

General Notes

Beneficiary Care

Regularly reassess the trust to ensure it continues to meet the beneficiary's changing needs without impacting government benefit eligibility.

Legal Updates

Stay informed about changes in legislation that may affect the trust's effectiveness. Regularly consult with your attorney to ensure compliance.

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