



BARLOW ANDERSON LLC
ATTORNEYS AT LAW

An Introductory Guide to Special Needs Trusts

For those of us who love someone with special needs, the Special Needs Trust is an essential estate planning tool. What are Special Needs Trusts? How are they helpful? And how can you incorporate them into the big picture of your estate plan? Read on to find out.

What is a Special Needs Trust?

A Special Needs Trust is an estate planning tool for those of us with loved ones who have special needs. They help you provide for your special needs loved one financially after you are gone. They give you the peace of mind of knowing that when you pass on, your loved one will still be provided for as a part of the legacy you leave behind.

As with all trusts, a Special Needs Trust names a trustee and benefactor. The benefactor would be the person with special needs. The trustee is a person of your choice who will use the funds in the trust on behalf of the benefactor. The trustee uses his or her own discretion to determine what goods or services the person with special needs requires.

Funds from Special Needs Trusts are often used to pay for:

- Housing
- Medical care
- Vacations and recreation
- Transportation
- Education
- Physical therapy or rehabilitation
- Personal care attendants

How are Special Needs Trusts helpful?

Besides the obvious advantages of having a responsible third party manage the funds you leave behind for your special needs loved one, there are also financial advantage.

Giving your special needs loved one a direct give may seem more straightforward, but it can actually interfere with his or her eligibility for Supplemental Security Income (SSI) and Medicaid benefits. Since money in a trust cannot be directly accessed by the beneficiary, it does not count against them (their assets need to be below a certain value) for their eligibility.

How do I create a Special Needs Trust?

Setting up a Special Needs Trust can be part of your estate planning process when you partner with Barlow Anderson, LLC. We have extensive experience helping the families and friends of both adults and children with special needs prepare for the future. It is important to us to give our clients the peace of mind of knowing that their estate plan is uniquely suited to their personal situations and needs.

What kinds of property can be included in a Special Needs Trust?

Not just money in bank accounts. You can also include real estate and other assets. Simply keep in mind that the trustee will be managing these on behalf of the benefactor.

Who should be named trustee?

Choosing the trustee for a Special Needs Trust is a delicate process. You should take into consideration the following qualifications:

- They have or can develop a personal relationship with the trustee.
- They have a solid understanding of the trustee's situation and needs.
- They are trustworthy. ("Trust" is part of the word "trustee," afterall!)
- They have enough time on their hands to take on this responsibility.

What if I don't know anyone who fits the bill?

In this case, you might be considering a professional trustee or even a pooled trust. Professional trustees can be individuals or companies who manage many trusts. Pooled trusts are run by nonprofit organizations. In pooled trusts, money from multiple Special Needs Trusts is gathered together and invested. Your beneficiary will still have his or her own separate account and generally the non-profit heading the pooled trust appoints a trustee to your beneficiary.

What if I still have more questions about Special Needs Trusts?

Thank you for downloading our free resource! We hope that you've found it helpful and informative. If you have additional questions about Special Needs Trusts, or want more information about how they may fit into your unique estate plan, please contact the Barlow Anderson, LLC team. We are passionate about estate planning, and helping our clients use tools like Special Needs Trusts for the benefit of themselves and their loved ones. Give us a call at (907) 375-0750 to learn more about how we can help you!