



"Never doubt that a small group of thoughtful committed citizens can change the world. Indeed it is the only thing that ever has."

MARGARET MEAD

Trusts for Disabled Family Members

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Margaret's son Tony has struggled with the challenging brain disorder of schizophrenia for many years. Although he has functioned quite well at times by maintaining a job and living independently, at other times he has relapsed and has needed much help and guidance. As Margaret looks to the future and is concerned about Tony's well being, she learns more about Special Needs Trusts. She decides, through the services of an expert, to establish such a trust and names Tony's sister as manager of the trust. Margaret feels a sense of relief knowing the Tony's needs will be met and that his inheritance will not jeopardize his eligibility for government benefits.

Special Needs Trusts provide a financial shelter for an individual who has become incapacitated. It ensures that the person's finances will be properly managed.

A trust shelters income and resources that might otherwise interfere with eligibility for government programs such as Social Security and Medicaid.

Leaving an inheritance to someone who is disabled can create more problems than it solves. A disabled adult with as little as \$2,000 dollars in assets will be disqualified from government programs, such as Medicaid. When an inheritance is received, the government will require the individual to spend the money before it will pay for residential care or other services. Once the inheritance is exhausted, the individual may be in worse shape than before. They will be dependent on government programs for clothing, food and shelter, and there won't be anything left to pay for extras.

A Special Needs Trust can enhance quality of life over and above what the basic benefits programs can do. Simply stated, it maximizes financial resources.

A trust can improve a disabled adult's quality of life without endangering eligibility for government programs. Typically, the trusts are designed so that none of the money can be used for food, clothing and shelter, services provided by government programs.

Instead, the money is used for games, movies, and airplane flights to visit relatives, CD's, computers and other extras. It can also be used to hire a companion.

This is an area where you need professional help. A financial planner who specializes in special-needs issues. Work with an attorney who is knowledgeable about your state's laws.