

A Special Needs Trust

Parenting is a tough job. But if you're a parent of a special needs child or adult family member with a disability you know that the job can be even more challenging, especially financially. Costs often include support for housing and personal care, employment assistance, and more. And these are typically not just one-time expenses, but costs that need to be met throughout a lifetime.

Help from the Fed

If you're a parent or caregiver for a person with a disability, you can help meet expenses and ensure quality care through two primary government programs designed to meet your unique needs: Supplement Security Income (SSI) and Medicaid. However, the government puts conditions on any benefits you receive: efforts may not be duplicated. Government money is provided on an eligibility criteria basis. If your family member with a disability receives outside funding for covered services, government support is reduced. Therefore, you may be limited in what you can "spend" on — or leave to — your loved one.

Supplementing Federal Support

That's why you may want to consider creating a Special Needs Trust. Trusts can offer you a way to help meet ongoing needs and supplement basics without affecting a loved one's eligibility for government funding. A Special Needs Trust can also help provide continued care if you pass away. Federal programs provide "health, shelter, and clothing" and, as mentioned, cannot be duplicated. However, a Special Needs Trust is designed to supplement care, not replace already provided services, and can help pay for additional medical therapies, education, transportation, and other extras that can add to the quality of life your loved one enjoys. If you're a parent creating a trust, you can also use these savings to supplement the needs of non-disabled children or adults.

Securing Your Trust

You should consult with an estate planning attorney who is knowledgeable about Special Needs Trusts to find out how it works and how it can be tailored to best suit your loved one's individual situation and preferences. You may want to evaluate some of these basic parameters to help create a trust that will work for you:

- What are the goals and objectives for your loved one, now and in the future when you are no longer there to care for him or her?
- What is the average cost of supplemental needs?
- What level of support must you provide for other family members?
- Who should be your trustee(s)?
- What limits should be placed on a trustee's ability to withdraw funds?
- Should funds be withdrawn on an "as-needed" basis or distributed on a schedule?

Funding a Trust

The funding vehicle you select for your Special Needs Trust is critical. Investments or other financial resources may multiply the value of your trust fund. However, fluctuating markets and tax laws may impact the value of your savings and, by extension, the funds available for your loved one. If you're concerned about such funding vehicle, life insurance may be an option for you.

(Information provided by New York Life Ins. Co. Agents Robert Killian (401-276-8729), and Tim Ross (401-276-8744), dedicated to the support of special needs families.)