

Special Needs Trusts

Preserving Government Benefits After Settlement

There are generally two types of special needs trusts. Depending on your unique situation, one may be a better fit for you.

Pooled Special Needs Trust

A pooled special needs trust is managed by a national 501(c)(3) nonprofit corporation formed to provide trustee, trust administration and advocacy services for the disabled, elderly, minor children and those seeking spendthrift trust protection. The assets from all the participants are pooled together, but maintained and tracked in individual trust sub-accounts.

Individual Special Needs Trust

A private special needs trust is a personalized disability trust drafted and prepared by a local trust attorney. Typically, a private special needs trust is used when a person has a large amount (i.e. greater than \$250,000) to deposit into the trust. To utilize a private special needs trust you must generally be under age 65, have been determined to be disabled and the trust must be created by a parent, grandparent, guardian or the court.

What Can a Special Needs Trust Pay For?

Special needs trusts are flexible and can be used to greatly improve quality of life. Your trust funds can be used for a variety of supplemental goods and services, including:

- **Special medical or exercise equipment generally,**
- **Handicap-equipped primary automobile,**
- **A home (but not necessarily its maintenance), and**
- **Many other goods and services that Milestone can discuss with you.**

The specifics of what a special needs trust can cover depends on the public benefits you receive. Speak with an expert at Milestone to determine what a special needs trust would cover for you.

Important Things to Know

Timing is critical. You must create or join a special needs trust before accepting your settlement proceeds. Consult with your government case worker about your settlement, or your benefits may be lost. This document does not replace the need to seek advice and is not intended to serve as legal advice.