

Planning for a Lifetime

Special Needs Trust

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Together we'll go far



Did you know

- Nearly 1 out of every 5 Americans has some type of long-lasting condition that severely compromises their quality of life.
- For many individuals, the disability may be caused by a sudden, life-altering accident.
- For others, the condition may arise at birth or result from a chronic illness.
- Whatever the origin, severe disabilities almost always create a significant financial burden due to curtailed earning power and ongoing expenses.

What is a Special Needs Trust

Congress authorized the use of a *Special Needs Trust* to benefit individuals who are under the age of sixty-five years and who otherwise would qualify by virtue of disability for Social Security benefits.

- A key feature is that a Special Needs Trust preserves the beneficiary's eligibility for public benefits such as Supplemental Security Income (SSI) and Medicaid.
- Assets can be held in trust as long as the disabled beneficiary:
 - Cannot control amount or frequency of trust distribution
 - Cannot revoke the trust and/or use trust assets for personal benefit

Types of Special Needs Trusts

There are two different types of a Special Needs Trust.

First party, or self-settled, Special Needs Trust

- Authorized by 42 USC 1396p (d)(4)(A).
- Established with funds already owned by the disabled person or his or her spouse or a legal settlement.
- Must be an irrevocable inter vivos trust agreement.
- Protects available government benefits.
- If established after 1993, must include a Medicaid payback provision.

Third party Special Needs Trust

- Established for a disabled person with funds of someone other than the disabled person or his or her spouse.
- Can be created by a revocable inter vivos trust agreement, irrevocable inter vivos trust agreement, or a will.
- Protects available government benefits.
- No Medicaid payback provision.

What items are covered by a Special Needs Trust

Special needs refer to the requisites for maintaining the comfort and happiness of a disabled person when such items are not being provided by any public or private agency.

- Medical and dental expenses
- Eye glasses
- Annual independent checkups
- Transportation and vehicle purchase
- Equipment
- Training programs
- Maintenance
- Education
- Insurance and payment of premiums

- Entertainment
- Electronic equipment
- Trips and vacations
- Computer equipment
- Athletic training and competitions
- Companion services
- Home health aide
- Rehabilitation
- Essential dietary needs

Client Benefits

A Special Needs Trust helps meet the needs of people living with a disability and their families in three primary ways.

Preserve government benefits.

People living with disabilities may become ineligible for state and federal benefits if their income and/or resources exceed certain thresholds

SNT assets may only be used to supplement government programs available to each beneficiary and to provide disbursements that enhance the beneficiary's quality of life.

Can meet long-term cash flow needs.

It is important to have experienced professionals make investment decisions, because they can structure trust assets to help prevent distributions from depleting the trust prematurely.

A properly invested SNT has the potential to provide funds for the beneficiary's current needs while generating sufficient growth to sustain the portfolio's purchasing power in the future.

Enhances quality of life.

SNT can provide financial support for a wide range of quality-of-life activities and services, including education, recreation, custom living arrangements, social services and companionship.

Supplemental services like these are essential and provide the basis for a meaningful life and a sense of optimism about the future.

Special Needs Trust Client Profile

A Special Needs Trust is designed for a disabled person who would like to maintain government aid supplemented by funds set aside for their care via a court order or a testamentary trust established by a parent or guardian.

- Persons injured and receiving settlement or judgment in legal action.
- Persons with physical disabilities—Cerebral palsy, spinal injuries, brain injuries, etc.
- Persons with mental illness—depression, schizophrenia, bi-polar, etc.
- Person with developmental disabilities.
- Persons with a family member with a physical disability, mental illness or developmental disability who desire to address their family member's needs as part of their estate plan.
- Persons with a disability who desire to set up their own Special Needs Trust so they can access public benefit programs.

Why Use a Corporate Trustee?

These are some things to consider and questions to ask when considering a corporate Trustee

- Experience with working with disabled individuals
 - Just one person, or a team?
 - Continuity?
- Technical knowledge and resourcefulness
 - How do things work? What can a client expect?
- Access to integrated services
 - Investment Management
 - Real Estate acquisition and management
 - Credit Card and banking services
- Costs – Fee Schedule
- Accessibility to speak and meet with a representative

The Wells Fargo Special Needs Trust

A specialized client solution, the Special Needs Trust Group is one of IM&T's Strategic Business Segments and is a unique, premium offering by Wells Fargo.

Elder Services
Business Advisory Services
Philanthropic Services
Special Needs Trust
Wells Fargo Legacy Trust
Real Estate and Specialty Assets
Estate Services
International

- We are one of the oldest and largest national providers.
- We are one of the few fiduciaries that offer dedicated Special Needs Trust services.
- Our dedicated and experienced staff provides personalized and comprehensive administration of these special trusts.
- Our focus is on the needs of our client and how to enhance their quality of life to the greatest extent possible.
- We have over 1000 Special Needs Trusts under administration and over \$1 billion under management.
- Our experience, commitment and resources make us uniquely qualified to provide these services from coast to coast.

Special Needs Trust Group

The Special Needs Trusts Group manages and administers Special Needs Trusts established for the benefit of person with disabilities.

- Assessment of needs and resources of beneficiary
- Budgeting and bill-paying services
- Comprehensive reporting
- Coordination of care planning and other services
- Coordination of tax preparation
- Risk Management
- Professional Investment Management
- Real Estate Management
- Safekeeping of assets