

Consultation with Personal Injury Attorney, Guardian Ad Litem and Trustee

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The Call to the Proposed Trustee

Drafting attorney: I have drafted a Supplemental Needs Trust for the benefit of Joaquin. We would like for you to consider serving as Trustee.


Trustee: Wonderful. Please give me a little background on the beneficiary.



What the Trustee Needs to Know

- What is the beneficiary's disability?
 - What government benefits does the beneficiary receive?
 - How will the SNT be created?
 - What lump sum will fund the SNT?
 - What are the beneficiary's expectations?
 - Will a structured settlement annuity pay into the SNT?
 - Is there a Medicare Set-Aside allocation?
 - Have all subrogation claims been paid?
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Will a Structured Settlement Annuity Pay Into the SNT?

- Is trust sufficiently funded with cash?
 - Sufficient for immediate purchase of "large ticket" items?
 - Can funding generate enough income to cover on-going monthly expenses?
 - Does structured annuity begin paying immediately, or is it deferred?
 - If deferred, to what age?
 - Internal rate of return vs. investment interest rate
 - Internal rate of return is calculated on death of beneficiary.
 - Sooner beneficiary dies, lower the internal rate of return.
 - Internal rate of return published at purchase assumes beneficiary lives out actuarial life without rating.
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Reading the SNT Agreement

Allows Trustee to:

- Determine if the Trustee can meet the beneficiary's goals
- Suggest revisions prior to accepting the trust in order to properly administer the SNT
- Explain the administration of the trust through specific examples

What Are the Beneficiary's Expectations?

Meet with the beneficiary (preferably before trust is signed and accepted)

- Clarify facts
- Set goals
- Explain trustee duties and liabilities
- Manage expectations

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[When Personal Injury Settlements Meet Special Needs Planning](#)

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