

How to Make a Trust a “Special Needs Trust”

University of Texas School of Law
12th Annual Changes and Trends
Affecting Special Needs Trusts

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First - A Primer on Trusts and Needs-Based Public Assistance

- A. What is a “Trust” and How to Establish
- B. How to Categorize Trusts
 - 1. Self-Settled vs. Third Party-Settled
 - 2. Trust Distribution Standards
- C. What is Needs-Based Public Assistance
- D. Requirements of Self-Settled and Third
Party-Settled Special Needs Trusts

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Trusts – The Basics



■ What is a Trust?

- Legal arrangement under which one person (Trustee) controls property given by another (Settlor) for benefit of a third (Beneficiary).
- Separates legal ownership (Trustee) from beneficial ownership (Beneficiary)

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Trusts – The Basics

Five Components to Every Trust



1. Settlor (Grantor/Trustor)

2. Trustee



3. Beneficiary



4. Written Instrument



5. Principal / Corpus



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How Can a Trust Be Established?

Only Two Ways

1. Via a Will – Testamentary Trust
2. Via a Separate Document – Living Trust
 - A. Revocable
 - B. Irrevocable

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How Can a Trust Be Established? (said another way)

Only Two Times

1. At Settlor's Death – Testamentary Trust
2. During Settlor's Life – Living Trust
 - A. Revocable
 - B. Irrevocable

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[Special Needs Trusts Basics](#)

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