



Distribution Plans and Distribution Advisement

**Presenter: Stephen W. Dale, Esq., LL.M.,
Trustee
The Golden State Pooled Trust**

**This presentation is meant for educational purposes only and
is not meant as a substitution for legal counsel**

• © The Golden State Pooled Trust, 2017



Distribution Plans and Distribution Advisement

- Any practitioner that focuses on drafting special needs trusts learns quickly that selection of a trustee or management system for the special needs trust is the single greatest factor as far as whether the trust will meet its objectives or not.
- In most cases having family or friends serving as trustees of a special needs trust without a great amount of assistance will result in the trust being misadministered, and increase the chance of a loss of essential public benefits.
- This will result in frustration not only to the trustee but to the beneficiary and in the end the law office as well.



Distribution Plans and Distribution Advisement

- This presentation will explore 2 levels of assistance that the special needs trust might consider offering as a service to their clients.
- 1. To offer development of distribution plans ideally on an annual basis to coordinate expenditures for the coming year.
- 2. Consider offering to implement the plan when approved by offering distribution advisement services.

3



The Magic Document Syndrome

- Being involved in the day-to-day administration of the special needs trust assists the law office to identify issues that are common with special needs trusts, to be able to create a plan that is more likely to succeed.
- Many parents of children with disabilities go through a lifelong learning process about how to provide for the unique needs of their children.

4



ACHIEVING
INDEPENDENCE

The Magic Document Syndrome

- It has become very commonplace for parents to realize it is important to create a special needs trust to provide for their child's quality of life, but all too often the creation of the document is seen as the objective rather than a tool to meet a goal.
- A special needs trust should really be a document that creates a system not only to provide the distributions that the beneficiary needs, but also to create a checks and balance system of accountability to make sure that the goal of maintaining the quality of life is maintained.

5



ACHIEVING
INDEPENDENCE

Distribution Plans

- What is common with the administration of all too many special needs trusts is that the funds are often expended until the trust runs out of money.
- This of course is not acceptable, especially in today's environment where it is very unclear what the future is of many of the programs that provide core services for persons with disabilities.
- The uncertain world that persons with disabilities, their families and service providers face make the need for a plan that is revised with regularity essential.
- It takes a team composed of financial, social, legal, tax, and fiduciary professionals to administer all the aspects of administration of a special needs trust to fulfill the needs of the beneficiary.

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Distribution Plans and Distribution Advisement

Also available as part of the eCourse

[2017 Special Needs Trusts eConference](#)

First appeared as part of the conference materials for the
13th Annual Changes and Trends Affecting Special Needs Trusts session
"Advising and Distribution Plans"