

Special Needs Trust Basics and Beyond Top Trends and Pitfalls

14th Annual Changes and Trends Affecting
Special Needs Trusts
University of Texas School of Law

February 15, 2018
Austin, Texas

Presented by

Craig C. Reaves, CELA, CAP

Copyright 2018 - Craig C. Reaves

What is a Special Needs Trust?

A Special Needs Trust is...

1. A trust
2. That has a special needs distribution clause
3. That allows money to be held and used for the benefit of a person (“beneficiary”) without causing the trust’s assets to count towards the maximum amount of money the beneficiary can have and qualify for needs-based public benefits (usually \$2,000)

What is a Special Needs Trust?

A Special Needs Trust...

- Allows trust assets to be used for the benefit of the beneficiary without disqualifying the beneficiary from Medicaid, SSI, and any other needs-based public assistance programs.
- Trust assets are used to supplement, not replace, the public benefits the beneficiary is receiving.

3

What is a Special Needs Trust?

A Special Needs Trust...

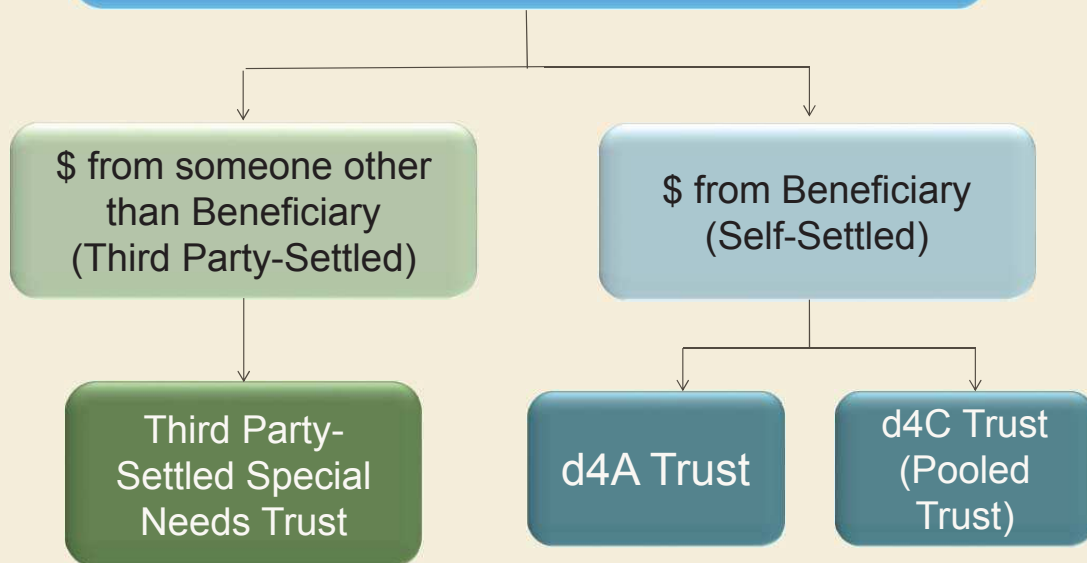
Allows trust beneficiary to qualify for needs-based public assistance and receive...

- some income, basic health care, and needed services

While trust assets are used to provide services and items that will help the beneficiary, but are not provided by public assistance.

4

Special Needs Trusts



5

Self-Settled v. Third Party-Settled Trusts

Whose Assets Are Going Into the Trust?

1. The beneficiary's assets

➔ Self-Settled Trust

2. Someone else's assets

➔ Third Party-Settled Trust

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 \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: SNT Basics and Beyond - Top Trends and Pitfalls

First appeared as part of the conference materials for the
14th Annual Changes and Trends Affecting Special Needs Trusts session
"SNT Basics and Beyond - Top Trends and Pitfalls"