

Special needs trust

If your child or loved one with disabilities relies on government programs for care, you may want to consider if a special needs trust should be a part of your estate plan. Sometimes known as a supplemental needs trust, this can help provide your loved one with needed support while ensuring continued qualification for benefits. Consult your estate-planning professional to determine if this type of trust is right for your family.

Certain government benefits have eligibility restrictions based on the amount of assets or resources available to the recipient. A special needs trust may allow a gift or bequest to be held for the person's benefit without affecting other benefits. Generally, the beneficiary cannot use the trust for basic support – such as food, clothing or shelter – or to receive duplicative government benefits. Instead, the beneficiary can generally use the trust for “extras” such as specialized therapy, special equipment, day trips and other items.

Creating a special needs trust

It's important to work with an estate-planning professional to ensure the special needs trust is drafted properly. Most people are not familiar with the complex requirements of various federal, state and local benefit programs, or the complexities involved in drafting a special needs trust. As such, working with a local estate-planning professional who is experienced with these issues is an important step in making sure your loved one's needs are met.

In addition, when creating this type of trust, you'll need to consider:

- **Whom to name as trustee:** This is often a difficult part of creating a special needs trust. You may consider choosing a trusted family member, who will know more about the loved one's needs. You may also consider naming a professional trustee, such as Edward Jones Trust Company, who can provide the experience and expertise necessary for administration of the trust. Another option to consider would be to name them both as co-trustees, combining the personal touch of a family member with the skilled management and expertise of a professional trustee.
- **When and how to fund the trust:** The trust can typically be funded during life or at death. In addition, other family members may be able to contribute to the trust. The trust may be able to be funded with securities, IRA proceeds, insurance death benefits or a variety of other assets.

Edward Jones Trust Company and your Edward Jones financial advisor can work with you and your estate-planning professional to discuss how a special needs trust could be part of your estate plan.

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