

Special Needs Trust

Introduction

In this module you will learn about special needs trust from Mark Gilfix, an attorney with Gilfix and LaPoll, a law firm that specializes in estate planning and special needs trusts. He offers expert advice about what special needs trusts are, and why they are an important step in securing your child's financial future.

Most families of children with autism consider planning for their child's financial future a huge concern. Most parents worry about what will happen to their child after they are gone. Their concerns include their child's living arrangements, quality of life, expenses, medical care and long term security. A special needs trust can be immensely helpful for families of children with special needs because it helps to protect inherited assets and does not count against eligibility for other social service benefits.

Who should consider a special needs trust?

- Anyone who has a child with special needs.

How does one determine how much money a child will need after their parents are gone?

- No one formula is right for everyone, it varies from family to family.
- You should consider your child's monthly expenses, medical expenses, how much support they receive from the government, what kind of quality of life you expect them to have including factors such as travel and leisure expenses.
- You may want to speak with a financial planner to assist you.
- Think about your assets, and how you can ensure that they remain stable over time to provide an income for your child.
- You should also factor in inflation, and how many year you expect your child to need financial support.

What is the process for setting up a special needs trust?

- Work with an attorney you trust and who has extensive experience in this area.
- If you haven't already done it, consider creating a revocable living trust or will for yourself.
- The attorney will work with you to answer certain questions and set up the trust.
- You will need to sign the trust, and move assets into the trust.
- You will need to inform your trustee about where to find information about your trust and share your lawyer's contact information with them.
- Remember that once you set up a special needs trust, anyone can leave money to the trust.

How do you pick a trustee for your child's trust?

- Picking someone you trust completely is very important and this is extremely specific to your particular situation.
- For many families, your child's sibling may be a natural choice. On occasion, there can be a conflict of interest here, if you consider that the sibling may face bankruptcy, divorce etc. and this may impact their ability to execute the trust.
- A close family member is another choice.
- Some people may pick very close family friends, though I would caution you about finding someone who will remain in your child's life after you are gone.
- You can also pick a bank or a professional trust manager, but most likely, your child's trust will be managed in a more impersonal way, and you will have to pay a fee for trust management.

Is there anything else a parent should consider while creating a special needs trust?

- Something that is not essential, but is a suggested is a letter of guidance for your trustee.
- This is a letter you write to let your trustee know about your child's preferences such as meal preferences, recreational activities that they like, educational activities that they can pursue, medications that they need, and housing preferences etc.
- This will help your trustee make a smooth transition to caring for your child.

Conclusion

We hope that you have found these ideas useful. Remember, creating a special needs trust requires working with a professional who can guide you through the process. You can find additional resources on our website:

www.porchlighteducation.org.