

The A,B, C's and 1, 2, 3's of SNT's
(Special Needs Trusts)

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Special Needs Trusts

- To benefit individuals with disabilities.
- Maintain eligibility for public assistance programs.
- Enhance quality of life.

Overview of Public
Assistance Programs

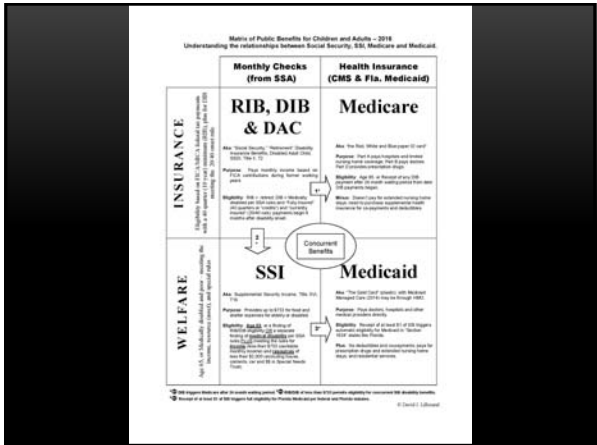
Incomes

- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Disabled Adult Child – Childhood Disability Benefits

Overview of Public Assistance Programs

Medical Coverage

- Medicare
- Medicaid
- Medicaid Waiver Programs
- Private Insurance - ACA



Eligibility for SSI and Medicaid Programs

- Level of care (medical need)
- Resource test and cap levels on assets and income
- Penalty periods if you transfer
- Traditional trusts count as an available resource

SSI-Related Programs - Financial Eligibility Standards: January 2016					
Program and Type of Coverage	INCOME LIMIT		ASSET LIMIT		SPECIAL REQUIREMENTS/STANDARD
	Individual	Couple	Individual	Couple	
PROGRAMS MANAGED BY SOCIAL SECURITY					
Supplemental Security Income (SSI) (Cash payment of US from SSA, includes Full Medicaid)	\$753 (\$983)	\$1,130 (\$983)	\$2,000	\$3,000	Child Allocation: 15% (difference between Couple and Single) SGA for DMRT: \$1,130
* Use Income Subsidy (SUI) or Extra Help (help with costs associated with Medicare Prescription Drug Plan - 100% FPL) Automatic with full Medicaid or Medicare Savings Programs (MSM) 0.38% (2%) income limits change yearly	\$1,471	\$1,991	\$13,640	\$27,250	Student Earned Income Disregard: \$1,500 per month; \$1,500 annual cap
PROGRAMS FOR PEOPLE 65+ OR DISABLED (Community Medical Programs)					
MEDICA Full Community Medicaid (JPA, FPL)	\$864	\$1,169	\$5,000	\$6,000	MSR, HCP/Hospice, HCRS, SBMMCA, etc. and PACE Community Spouse Allowance: Maximum Income Allowance: \$1,981 MAB/AIA: \$587 Excess Shelter Family Members Allowance: (WBI/IRA minus income) divided by 3 Other Dependents: Use CMS chart
Medically Needy: No Income Limit: Full Community Medicaid when State of Care is used	Unlimited (100% income and non gross income)		\$5,000	\$6,000	Maximum Resource Allowance: Community Spouse: \$19,220
PROGRAMS FOR PEOPLE WITH MEDICARE (includes Part B Premium \$164.88, Part A fee for most)					
MSM: Pays Medicare premium, coinsurance & deductibles only (100% FPL)	\$981	\$1,328			Community Housing Spouse Allowance Spouse only: use FDR With Dependents (or dependents only): use CMS
SLMM: Pays Medicare Part B premium only (100% FPL)	\$1,177	\$1,563	\$7,200	\$10,930	
HGT: Pays Medicare Part B premium only (100% FPL)	\$1,325	\$1,793			
MSD (2008) Working Disabled Program: only from (Medicaid, Part B) premium. Must have had SSI due to unemployment (2008-2013)	\$1,962	\$2,655	\$4,000	\$6,000	
PROGRAMS BASED ON INSTITUTIONAL POLICY: Possible Future Responsibility and income limit					
Institutional Care (ICP): Pays Nursing Home costs, board & care and Pays Medicare premium, coinsurance & deductibles	\$2,199	\$4,398	\$2,000	\$3,000	Individual PIA: \$105 Couple PIA: \$210
Respite: Pays for Respite services related to personal care and Pays Medicare premium, coinsurance & deductibles	\$2,199	\$4,398	\$2,000	\$3,000	FFC \$ 981 (SOP) + \$105 FFC \$1,328 (SOP) + \$210
HCRS Home and Community Based Services (HCRS): Pays Medicare premium, coinsurance & deductibles	\$2,199	\$4,398	\$2,000	\$3,000	PERSONNEL/SELF CARE - 15% RESIDENTIAL/SELF CARE - 15% RESIDENTIAL/SELF CARE - 15% RESIDENTIAL/SELF CARE - 15%
STATE FUNDED PROGRAMS					
OSR Redesign (Optimal State Supplementations) Assists with personal care & meal at Adult Long Term Facilities (ALF) State rate = \$757.49 couple / \$914.88 couple Medicaid rate = \$184.88 couple / \$198.88 couple	\$811.40	\$1,622.80			Individual PIA: \$54 Couple PIA: \$108
OSR Redesign (Optimal State Supplementations) Assists with personal care & meal at Adult Long Term Facilities (ALF) State rate = \$918 couple / \$936 couple Medicaid rate = \$184.88 couple / \$198.88 couple	\$918	\$1,836	\$2,000	\$3,000	
HCCA Home Care for Disabled Adults: Pays cost related to completion of medical	\$2,199	\$4,398			* PIA = Personal Needs Allowance

Special Needs Trusts

- Self-Settled – with beneficiary's own funds
- Third Party – someone other than the beneficiary or spouse

Trusts

Two Types of Trusts:

- Revocable – Changeable by the Settlor or someone else
- Irrevocable – Cannot be changed

Trusts

Basic Parties in all Trusts:

- Settlor (Grantor)
- Trustee (manager)
- Beneficiary

Third Party Special Needs Trusts

- Set up by a family member or friend for a person with disabilities
- Can be done by a spouse if done in a Will (only after death)
- Generally a specific trust for each beneficiary
- No Medicaid pay-back – can go to other family members

Third Party Special Needs Trusts

- Can set up the trust and fund it now
- Can have trust funded later
- Can write SNT within Will or it can be within a Revocable Living Trust
- Can direct funds into a Pooled Trust later

**Self Settled
Special Needs Trusts**

Must be Irrevocable
Must be the funds of the person
with a disability

- Inheritance
- Personal Injury Award
- Earnings and Savings

**Self Settled
Special Needs Trusts**

42 U.S.C. §1396 p(d)(4) (Social Security Act)

(d)(4)(A) – Under Age 65 Disability SNT
(d)(4)(B) – Qualified Income SNT
(d)(4)(C) – Pooled SNT

Pooled Trusts

- By combining funds with others similarly situated (pooling), costs can be lowered and “minimum fees” can be avoided
- Some pooled trusts have one-time enrollment fees as low as \$500
- Many pooled trusts do not have minimum monthly or annual fees
- Non-profit organizations also administer trusts

Special Needs Trusts: Advantages and Disadvantages of Self-Settled SNT's

- Advantages
 - Maintain governmental benefits
 - Keep your money
 - Provide for supplemental needs
- Disadvantages
 - Trust assets may be restricted
 - Challenges related to selecting a trustee
 - Trust assets subject to state claim on death

Distributions from all Trusts

- Direct income – if paid to beneficiary
- In-Kind Support and Maintenance if on SSI – if used for food or certain shelter expenses
- Distributions to third parties for the beneficiary

Distributions from all Trusts - General Rules

- Do not pay income directly to a beneficiary or a parent if the beneficiary is under age 18
- If pay for food or shelter understand the effect on SSI (In-Kind Support and Maintenance)
- Pay for goods and services directly!

Thank You!

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