

# Financial strategies for families with special needs

Children with special needs often live full lives, outliving their parents or guardians. Creating a Special Needs Trust can help ensure the continuation of government benefits and a successful estate plan. The trust holds assets that can improve the quality of life and protect the financial future of your loved one. It provides extra income for care, assistance and education beyond the basics.

If you decide a Special Needs Trust may benefit your family member, you should consider who will be named as the trustee and what that entails.

## Learning trustee responsibilities

Make sure you and your potential trustee understand the complex and time-consuming responsibilities it takes to serve in this capacity. They include:

- Accomplishing the trust creator's goals
- Understanding which contributions will disqualify your family member with special needs for state or federal benefits
- Administering the trust according to its terms
- Maintaining trust assets for current and future beneficiaries
- Developing and implementing an investment strategy
- Managing, investing and distributing wealth according to instructions
- Using discretion in distribution
- Investigating claims and opposing invalid claims
- Impartially executing all trust tasks
- Defending the trust



## Creating a Special Needs

**Trust** for the continued care and lifestyle of your family member allows your love to last beyond your lifetime. The sooner you start preparing, the more confident you may feel in reaching your goals.

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# Understanding trustee models

There are multiple options available when selecting a trustee. It's important to choose one that works best for your family.

**Options include:**

- **Individual trustee** - Family members or close friends can be selected as trustee(s). Be sure they have the knowledge, skills and abilities to administer the trust. They should also be willing to accept the liability involved.
- **Corporate trustee** - A financial institution can provide impartiality, experience and numerous services to make administering the trust easier.
- **Individual and corporate co-trustees** - A family member or close friend can oversee the trust with assistance from an experienced corporate co-trustee.
- **Supplemental advisory groups** - Other groups can influence the way the trust is managed:
  - **Trust advisory committees** consist of care managers, tax advisors, family members and attorneys. They can provide input to the trustee but have no authority in administering the trust.
  - **Care managers** offer guidance and advice to the trustee concerning the medical needs and care of the beneficiary.
  - **Benefit, tax and financial professionals** can provide direction for trustees who lack knowledge of and experience with financial, legal, tax and governmental benefits issues.

## List people or entities you trust, and rate each area (1=weak, 5=strong)

Possible trustee, financial professional or team member	Relationship with family member	Financial competence (accounting, investments, taxes)	Administrative capability (legal competence)
Example: JOHN	4	1	5

# Selecting a model for your child's future

There isn't a one-size-fits-all model for selecting a trustee or administering the trust. Keep these factors in mind as you consider the options:

- Your loved one's unique concerns and special needs
- The amount of funds in the trust
- The need for advocacy and care managers
- The strengths and abilities of the trustee or supplemental advisory groups

## Evaluating trustees, financial professionals and team members

It's important to fully evaluate your options before selecting your trustee and special needs team. **Use the table below** to compare possible trustees, financial professionals and team members. Once you've selected those best suited to oversee the trust, discuss their roles with your attorney.

Time availability	Trustworthiness	Advocacy	Objectivity	Total score
2	5	3	2	22



## Learn more

Have questions about setting up a Special Needs Trust? Contact your financial professional. They can help create a plan that works for your family.

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