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PROPER PLANNING MAY CREATE PEACE OF MIND



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Special Needs Trusts: The Wave Of The Future

Do you know what to advise a client who will be receiving monies through either a lawsuit or, an inheritance and the client receives government assistance? The following case study will help you better serve your clients.

The Tale: A young man in his twenties was the passenger in an automobile at the time the driver fell asleep and the car crashed. As a result of injuries sustained during the accident the passenger became a paraplegic. He was approved for SSI and Medicaid benefits. His mental faculties remained intact, he lived independently in an apartment with minimal assistance, and he continued to attend college. His lawsuit was successfully resolved. Notwithstanding, it was not enough to pay for his medical care for his life expectancy. His goal was to maintain government assistance and use the proceeds to provide better quality care.

The Tip: To evaluate his options we explored private health insurance. Prior to the accident, he did not have health insurance. Subsequent to the accident he could not pass medical underwriting requirements in or-

der to purchase private health insurance. As he was not employed, he did not have the opportunity to be included in a group health plan.

We then advised the client of the benefits of placing the proceeds in a *special needs trust*, and the requirements:

1. The person must be under age 65;
2. The trust must be for the benefit of the disabled person;
3. It is created by a parent, grandparent, guardian or court;
4. It provides for payback of the Medicaid lien from the trust assets remaining at the beneficiary's death (at the Medicaid rate not the private pay rate).

The client's special needs trust was created by the Judge who approved the settlement. It was then approved by the government agencies. The experience has empowered the client to buy a place to live and fulfill his dreams. Special needs trusts (and pooled trusts) are the wave of the future for enhancing a disabled person's quality of life.

“Special Needs Trusts Are The Wave Of The Future For Enhancing A Disabled Person's Quality Of Life.”

ANNOUNCEMENTS:

Stephanie is the Former Chair of The Florida Bar Elder Law Section.

Our firm is a proud Business Patron of the AFTL Eagle Program .

Meet The Staff

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- Trust Administration - Court Appointments

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- Special Needs Trusts - Medicaid & SSI
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