

CASE STUDY:

The Special Needs Client: Part 4



The Silverstein's have a son with special needs. Their means are limited, but they want to set up something so that their son is able to qualify for governmental benefits like SSI and Medicaid. However, they don't have quite enough assets to establish a First-Party SNT.

How do you advise them?

The Silverstein's should establish a Pooled Special Needs Trust. A Pooled SNT is great in situations where families have insufficient assets to make the creation and administration of a First-Party or Third-Party SNT cost-effective.

Pooled SNT's are managed by a nonprofit organization which has many disabled beneficiaries and provides each disabled beneficiary with a separate trust account for the sole benefit of the beneficiary. The rules are governed by a master trust agreement, and the trust operates in the same way as a First-Party SNT with regard to distributions. The only difference is it is managed by a nonprofit.

ASSETS:

- House (with mortgage)
- Bank accounts
- 401(k)s
- Life insurance

Total Net Worth: \$450,000

QUESTIONS TO ASK:

- Are you concerned about the cost of care for your child?
- Do you have enough to set up a First-Party SNT for your child?
- Do you have the time or expertise to manage a trust for your child?