

WHAT IS A SUPPLEMENTAL NEEDS TRUST?

A trust is a set of rules for managing assets. The designated trustee manages the assets according to the rules of the trust for the beneficiary's benefit. A Supplemental Needs Trust, also known as a Special Needs Trust, is a special type of trust that can provide supplemental services to your loved one without jeopardizing their eligibility for government benefits.

Supplemental Needs Trusts for Disabled Children

You may create a Supplemental Needs Trust to care for a disabled child or grandchild regardless of the child's age. The Supplemental Needs Trust may be funded now, to help with their needs while you're still alive, or you can bequest funds through your will or trust that will flow into the Supplemental Needs Trust when you're gone. The trust can be used to provide such "extras" as second medical opinions, special educational equipment, supplemental types of therapy, vacations, recreational activities - in other words, all kinds of life-enhancing services the government does not ordinarily cover.

Supplemental Needs Trusts for Disabled Spouses

A Supplemental Needs Trust can also be useful if your spouse is receiving long-term care Medicaid benefits, or is likely to need them in the future. Under Texas law, when you pass away, your spouse is entitled to 30% of your "augmented estate," whether or not the assets are probated. If your spouse currently resides in a nursing home and is receiving Medicaid benefits, he or she may be thrown off the program when they receive their inheritance. If your spouse is at home but will likely need a nursing facility if you predecease them, receiving that 30% share may mean Medicaid benefits are not available until the 30% is completely exhausted.

The good news is, under Texas law, you can leave that 30% or even more for your spouse in a Special Needs Trust, thus protecting his or her access to Medicaid benefits. The monies in the trust can be used for life-enhancing extras like private nurses, perhaps a specialized wheelchair, or custom transportation so that he or she can leave the nursing home to attend family functions. Through the trust you can also make provisions so that, when your spouse dies, any remaining trust assets pass to the beneficiaries and not the state.

Other Benefits of Supplemental Needs Trusts

Some parents think they can simply leave the inheritance to a brother or sister who will then take care of the disabled sibling. This offers no protection to the disabled person in the event the sibling runs into financial difficulties, has a divorce, or predeceases them. The Supplemental Needs Trust allows the sibling, as trustee, to manage the assets for the benefit of the disabled person while providing complete protection for the funds. Supplemental Needs Trusts also name back-up trustees to continue the trust in the event of the death or disability of the initial trustee.

Another advantage of Supplemental Needs Trusts is they facilitate continuity of care for the disabled person upon the surviving parent's death. Supplemental Needs Trust trustees may use and distribute assets for the benefit of the disabled person immediately after the parent's death. This is in contrast to a will, which must first be probated in a court proceeding to determine the will's validity and appoint an executor to handle the estate. These proceedings may be costly and tie up the estate assets for many months, or even years in some cases.

At The Greening Law Firm, P.C. our Supplemental Needs Trusts are specially structured based on each client's individual situation and needs.

Action Plan

You will want to consider visiting with us about implementing a Supplemental Needs Trust if you fit any of these conditions:

- You have a child or spouse who is currently receiving Medicaid or Social Security Disability payments;
- Your child or spouse is likely to receive Medicaid or Social Security Disability disability payments in the future;
- Your child or spouse currently depends on home care from you; or
- Your will or trust names your special needs child or spouse as a substantial heir.

Remember,

Planning Adds Predictability!



www.GreeningLawFirm.com

*Practice Limited to Estate Planning,
Estate Administration, Probate, and Elder Law*

The hiring of an attorney is an important decision. The items discussed in this brochure are of a general nature and not intended to provide legal advice. Please consult a qualified estate planning/elder law attorney to determine the best options for your personal circumstances.

© 2009 The Greening Law Firm, P.C.
N:\Marketing\Marketing Materials\Brochures & Flyers\Brochures and ads\2009 Brochures\SNT trifold 2009.indd 052809 946 IS

About the Author



Ronald Greening, Attorney and Counsellor at Law, is the founder of The Greening Law Firm, P.C. Ron grew up in Houston and after earning a B.S.E.E. from the University of Texas at Austin in 1969, he worked as an electrical engineer for three years. He has practiced law since 1975, starting in Washington, D.C. for six years,

then for two years on Wall Street before returning home to central Texas in 1983. He is a member of the Real Estate, Probate & Trust Law Sections of the State Bar of Texas and the Probate and Estate Planning Law Section of the Austin Bar Association. He is a founding member and past president of the American Association of Trust Estate and Elder Law Attorneys, a member of the Texas and National Association of Elder Law Attorneys and a member and director of the Estate Planning Council of Central Texas. He is fully licensed by the Texas Supreme Court, Washington D.C. Court of Appeals, and various federal courts. His practice is limited to estate planning, estate administration, probate and Medicaid planning.

Ron continues to be active in Westlake Hills Presbyterian Church, WHPC.org, serves on the Board of Directors and Secretary of the Board of the Georgetown Community Foundation, GACF.org, belongs to the Rotary Club of Austin, Rotary-Austin.org, the Texas Longhorn Breeders Association, TLBAA.org, serves on the Advisory Board of the Travis County Retired and Senior Volunteer Program, RSVPAustin.org, and other community and professional organizations. Ron lives on Lake Travis and has a herd of one Longhorn steer who lives in his backyard.

Mr. Greening is committed to researching and preparing high quality, tax-sensitive estate plans. His mission in law is to help people accomplish their estate planning goals, and to take the mystery out of the estate planning process. His clients have their estate plans explained in straight-forward language that they and their families can understand. Good planning avoids needless court interference, public records, attorney fees, and government interference when an estate is settled.

Ron teaches workshops for the public as well as accredited continuing education seminars for C.P.A.s, nursing home administrators, attorneys, C.F.P.s, and other financial advisors. He provides complimentary initial office consultations for estate planning.

Austin 476.0888

Georgetown 931.0888

SUPPLEMENTAL NEEDS TRUSTS



By Ronald G. Greening
**THE GREENING LAW
FIRM, P.C.**

ATTORNEYS AND COUNSELLORS AT LAW

Austin
506 W. 15th Street
476.0888
800.768.8898

Georgetown
1601 Williams Drive
931.0888

RONGREENING@GREENINGLAWFIRM.COM

WWW.GREENINGLAWFIRM.COM

“Planning adds Predictability”

*Practice Limited to Estate Planning,
Estate Administration, Probate, and Elder Law*