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Our handicapped-accessible Vestal office has convenient parking and covered entryway. We also make home, hospital, and nursing home visits.



Supplemental Needs Trusts for Disabled Persons



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Supplemental Needs Trusts for Disabled Persons

1. What Is a Supplemental Needs Trust?

A Supplemental Needs Trust, or "SNT", is designed to maintain a disabled person's eligibility for government benefits while also providing for his or her supplemental needs which are not covered by the governmental program.

2. What Are the Major Governmental Programs For Which Eligibility is a Concern?

Both Supplemental Security Income ("SSI") and Medicaid limit the income and financial resources of eligible persons. The important feature of an SNT is that it is not counted as a resource of the disabled person. In addition, distributions from the SNT to pay for items not intended to be paid by the governmental programs may be safely made. But other distributions can reduce government benefits and should only be made after very careful consideration.

3. What Is a Trust?

Think of a trust as a legal arrangement where the grantor, or creator of the trust, gives assets to a trustee who can only use the principal and income from the trust assets as specified by the grantor in the trust agreement.

Upon creating a trust, the grantor must transfer assets into the name of the trust, to

be thereafter managed by the trustee. The trustee must perform his or her duties with the utmost honesty and loyalty.

4. What Are Other Characteristics of an SNT?

In order to protect the SNT from consideration as an available resource under governmental programs, the trust must be carefully worded. It must also be irrevocable if created with the disabled person's own funds. This means the disabled person cannot change his or her mind and remove the assets from the trust at some future date. Also, the disabled person cannot have any control over the assets in the trust.

The SNT is designed to improve the quality of life of the disabled person, much as parents would assist their child. The trustee should only provide what is permissible by the governmental program providing benefits to the disabled person. Examples of what a SNT may provide include: vacations, hobbies, recreation, social services, legal services, pets, computers, televisions, VCRs, CD or cassette players, and medical supplies and services which are not covered by Medicaid.

5. Are There Different Kinds of SNTs?

There are two major types of SNTs. One is created and funded by someone other than the disabled person, either during lifetime or in a Will ("third-party SNT").

The second is created by the disabled person and funded with his or her own money, usually before age 65 ("self-funded SNT").

6. What Happens to the SNT Upon the Death of the Disabled Person?

For a third-party SNT, the remaining income and principal will be distributed to the beneficiaries that the grantor has named in the trust agreement.

For a self-funded SNT, the remaining funds will go to pay back the State for Medicaid benefits, before the balance, if any, is distributed to beneficiaries that the grantor has named in the SNT agreement.

7. Are There Any Other Requirements for a Self-Funded SNT?

In addition to the payback requirement, the trustee of a self-funded SNT has certain obligations to notify the local Department of Social Services of certain events, such as the SNT's creation, funding, termination, and any substantial payments or transfers from the SNT.

**Questions? Would like to
set up a SNT?**

Call Us Today!

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