



FACT SHEET

What is a Special Needs Trust?

A special needs trust is a written legal document that allows for a person with a disability to have funds available to them for their supplemental needs without impacting eligibility for Supplemental Security Income (SSI), Medicaid, SNAP (Food Stamps) or HUD housing.

How can Special Needs Trust be used?

Federal and state regulations require special needs trusts be used for the benefit of the life beneficiary (person with a disability). This can include dental and medical services not covered by other insurances, co-pays, pharmacy, medical supplies, equipment, entertainment, and other personal needs of the life beneficiary. As Trustee, Midwest Special Needs Trust, carefully reviews each request for funds to ensure compliance with regulations.

Supplemental needs of the life beneficiary do not include, rent, mortgage, room and board, utilities, food, or cash to the life beneficiary. Payment for these expenses from the trust may cause a reduction in the Life Beneficiary’s monthly benefit from Social Security.

What is the difference between a First Party and a Third Party trust?

First Party Special Needs Trusts, also called self-settled or Medicaid payback trusts, are funded with assets belonging to the person with a disability. These trusts are irrevocable and have a Medicaid payback requirement. Upon the death of the Life Beneficiary, a 25% contribution of the remainder balance is paid to the MSNT Charitable Trust if the trust was used before the Medicaid payback. After payment of allowable fees and expenses, the Medicaid lien is paid. After which, any remaining balance is paid to any named remainder beneficiaries.

Third Party Special Needs Trusts are funded with assets or resources from someone other than the Life Beneficiary. These trusts can be created as revocable or irrevocable and do not have a Medicaid payback requirement. Upon the death of the Life Beneficiary a 25% contribution of the remainder balance is paid to the MSNT Charitable Trust if the trust was used. After payment of allowable fees and expenses, the remaining balance is paid to any named remainder beneficiaries.

How are Special Needs Trusts funded?

DEPOSIT SOURCES FOR FIRST PARTY OR SELF-SETTLED TRUSTS FOR BENEFICIARIES <65	DEPOSIT SOURCES FOR THIRD PARTY TRUSTS	FOR FIRST PARTY TRUSTS FOR PERSONS WITH DISABILITIES ≥65
<ul style="list-style-type: none"> • Social Security backpay • Personal injury or other legal settlements • Unplanned inheritance or life insurance proceeds • Conserved funds 	<ul style="list-style-type: none"> • Planned inheritance from a will, trust or estate • Planned insurance proceeds • Gifts or fundraising by family or friends 	Varies from state to state. Please call MSNT to discuss.

How can I establish a Special Needs Trust?

Please call or email MSNT for an initial conversation. The discussion may include information beyond the special needs trust like the ABLE account and other opportunities. Additionally, MSNT has an inactive account that can be established with \$200 to be fully funded at a later date. A Trust Specialist will discuss your specific circumstances and help you with a plan to meet your needs. They will then mail you the appropriate forms. When completed, the initial deposit check and forms are mailed back to MSNT for review and processing.

What decisions must be made when completing the documents?

Completing the documents requires consideration for the following:

- Naming Co-Trustees and Successor Co-Trustees who are authorized to make requests for funds and communicate on behalf of the Life Beneficiary. If no one is available, MSNT will provide this service as Sole Trustee.
- Naming Remainder Beneficiaries who, at the death of the Life Beneficiary, will receive the remaining funds once all applicable fees, taxes, and liens are paid; and
- Electing investment authority and selecting an investment portfolio.

What is the minimum amount to set up a trust with MSNT?

MSNT's minimum enrollment balance is \$1,000. An initial deposit will include the enrollment fee. First Party Trusts may qualify for a reduced enrollment fee based on the initial deposit and the Life Beneficiary's annual gross income.

Why use Midwest Special Needs Trust?

- Created by state statute in 1989 as a pooled trust organization
- Governed by a Board of Trustees comprised of professionals who have family members with a disability, are named by the Missouri Governor and confirmed by the Missouri State Senate, and comply with the Missouri Ethics Commission requirements
- Affordable Fees
- Caring and knowledgeable staff who stay current with public benefit programs
- Timely distribution process
- Quarterly account statements
- Convenient online True Link portal
- True Link debit card loaded for eligible participants
- Ongoing compliance through timely amendments to the trust documents
- Assistance with Medicaid and Social Security eligibility reviews
- Toll free phone access for consultation or assistance
- Not-for-profit organization supporting the Charitable Trust Program serving low income individuals with disabilities