

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 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 Beneficiary. As Trustee, MSNT carefully reviews each request for funds to ensure compliance with regulations.

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

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

First Party Trust sub-account, also called self-settled or Medicaid Payback, are funded with assets belonging to the person with a disability. These trust sub-accounts are irrevocable and have a Medicaid payback requirement.

At MSNT, upon the death of the 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 Trust sub-accounts are funded with assets or resources from someone other than the Beneficiary. These trust sub-accounts can be created as revocable or irrevocable and do not have a Medicaid payback requirement.

At MSNT, upon the death of the Beneficiary a 25% contribution of the remainder balance is paid to the MSNT Charitable Trust if the trust sub-account was used. After payment of allowable fees and expenses, the remaining balance is paid to any named Remainder Beneficiaries.

What is a trust versus a trust sub-account?

A Beneficiary's portion of the pool is called a sub-account. Each type of trust, First Party, Third Party Irrevocable and Third Party Revocable, has its own pool for investment and management purposes. Within each pool, there are six different types of investment portfolios.

Funds deposited for the Beneficiary are pooled together with similar trust and portfolio types for investment and tax optimization purposes. **All earnings are individually accounted for.**

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 	<p>Varies from state to state. Please call MSNT to discuss.</p>

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.

MSNT has an inactive trust option 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 Beneficiary. If no one is available, MSNT will provide this service as Sole Trustee.
- Naming Remainder Beneficiaries who, at the death of the Beneficiary, will receive the remaining funds once all applicable fees, taxes, and liens are paid.

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

MSNT's minimum enrollment balance is \$500. An initial deposit will include the enrollment fee. First Party Trust sub-account may qualify for a reduced enrollment fee based on the initial deposit and the Beneficiary's annual gross income.

Why use Midwest Special Needs Trust?

- MSNT's Trust Specialists are certified Work Incentives Practitioners from Cornell University
 - Up-to-date certification on rules and policies regarding Social Security benefits, Medicaid, Medicare, and other benefit programs
- Trust Specialists have a background in case management, home health, finances and customer service
- Trust Specialists assist with Medicaid and Social Security eligibility reviews
- Affordable Fees
- Quarterly sub-account statements
- Convenient online access
- Pre-loaded debit card for eligible participants
- Ongoing compliance through timely amendments to the trust agreement documents
- Toll free phone access for consultation or assistance

What makes MSNT different?

- 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.
- A not-for-profit organization supporting the Charitable Grant Program provides grants to Missouri residents who meet the income guidelines and have been deemed disabled by the Social Security Administration.