

Special Needs Trust Foundation

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What Can A Special Needs Trust Do?

A special needs trust holds title to property for the benefit of a child or adult with a disability. A trust can hold cash, stocks, personal property and real estate. It can own and/or be the beneficiary of life insurance. The special needs trust can be used to provide for the needs of a person with a disability and to supplement benefits received from various governmental assistance programs. Cash over \$20.00 cannot be disbursed to the beneficiary, nor any disbursements made to third party for food or shelter, without loss or reduction of SSI benefits. The following is a list of example expenditures (disbursements) that can be made through the special needs trust set up for you or your family member. This list is not meant to be all inclusive. It is a guideline to suggest ways money may and may not be spent to enhance the quality of life, welfare of a person, and an individual's happiness:

Examples of Acceptable (Permissible) Expenditures:

- Purchase a home
- Home improvements (including modifications for handicapped use)
- Home repairs (plumbing, roof, electrical, etc.)
- Cleaning and maintenance of property
- Telephone, TV cable, other "communication" expenses
- Educational expenses (tuition, books/supplies, etc.)
- Medical expenses/bills not covered by Medi-Cal (e.g. annual check-ups)
- Dental expenses, eye glasses, physical therapy, support services not covered by any benefit program
- Social services not covered by any benefit programs
- Insurance premiums (homeowners, health, auto)
- Transportation expenses (including purchase of vehicle, maintenance, gasoline)
- Additional in-home support needs not covered by any benefit programs (such as companion services/home health aide)
- Legal advice
- Advocate for the disabled
- Training programs
- Rehabilitation
- Personal hygiene (haircuts, manicures)
- Entertainment/recreation expenses (books, magazines, movie/concert tickets, sporting events, audio/video equipment)
- Vacation travel (airline tickets, train/bus passes, temporary shelter)
- Athletic training and competitions
- Clothing
- Furniture

Example of Trust Distributions which will reduce SSI benefits:

- Shelter expenses (mortgage payments, real property taxes, heating and cooling bills, electricity, water, sewage, garbage collection)
- Groceries or meals
- Cash or any purpose (beyond the \$20 SSI monthly allowance)