

Special Needs Trust Foundation

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How To Set Up A Special Needs Trust With The Special Needs Trust Foundation?

How can a trust be established with the Special Needs Trust Foundation?

1st and 3rd Party Trusts: By submitting a Joinder Agreement Master Trust to the Special Needs Trust Foundation. The SNTF Board will then review and approve the Joinder Agreement.

When can it be funded?

1st Party Trusts: Anytime after Joinder Agreement is approved with a minimum of a \$5,000 deposit.

3rd Party Trusts: Anytime after the Joinder Agreement is approved with a minimum of a \$5,000 deposit. Either during donor's lifetime or after their death through an estate plan.

What are the fees?

1st Party Trusts:

1. Enrollment fee is \$1,000.00 per 1st party trust established. To be billed to the trust when trust is funded.
2. Annual administration fee of 1.5% with a \$1,500.00 annual minimum charge. This 1.5% of trust assets will be billed to each trust on the first of each month (monthly minimum of \$125.00).
3. Bank investment fees for each trust will have a 1.0% annual fee.
4. Annual tax returns, if required, will be prepared by a certified public accountant. Preparation fee and any related tax liability will be billed to the trust.

3rd Party Trusts:

1. Enrollment fee is \$100.00 per 3rd party trust established.
2. Bank investment fees for each trust will have a .5% annual fee.

How are distributions made?

1st and 3rd Party Trusts:

Once the trust is funded distributions can be made from the trust. See "What Can A Special Needs Trust Do" for acceptable expenditures. Distributions can be made before or after the requested item is purchased and must be accompanied with a Distribution Request form and receipt/invoice/statement. Distribution requests are reviewed by the SNTF and upon approval a check is sent out within approximately two weeks. **3rd Party Trusts only** – checks for distribution requests of \$1,000 or more will be processed on the 1st working day of each month. Under no circumstance can distributions be made payable to beneficiary.

What happens to the remaining funds upon the death of a beneficiary?

1st Party Trusts require a payback to MediCal on the termination of the trust or death of the beneficiary. If a balance remains after the State(s) has been reimbursed, it will be distributed as per your instructions in the Joinder Agreement.

3rd Party Trusts: The remaining balance of the account will be distributed as per your instructions in the Joinder Agreement. Your designations must include a minimum of 25% to the SNTF and 25% to one of the member agencies.

For more information please refer to the SNTF First-Party and Third-Party brochures, or the SNTF web site: www.sntf-sd.org