

# 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?

**1<sup>st</sup> and 3<sup>rd</sup> Party Trusts:** By submitting a Joinder Agreement Master Trust to the Special Needs Trust Foundation. The SNTF Board will then review and, if appropriate, approve the Joinder Agreement.

### When can it be funded?

**1<sup>st</sup> Party Trusts:** Anytime after the Joinder Agreement is approved with a minimum of a \$5,000 deposit.

**3<sup>rd</sup> 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?

#### **1<sup>st</sup> 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 are currently at 1.0% annually and subject to change.
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.

#### **3<sup>rd</sup> Party Trusts:**

1. Enrollment fee is \$100.00 per 3rd party trust established.
2. Bank investment fees for each trust will have a maximum 1% annual fee and are subject to change.

### How are distributions made?

#### **1<sup>st</sup> and 3<sup>rd</sup> 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. **3<sup>rd</sup> Party Trusts only** – checks for distribution requests of \$1,000 or more will be processed on the 1<sup>st</sup> working day of each month. Under no circumstance can distributions be made payable to beneficiary or to someone living in the same household.

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

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

**3<sup>rd</sup> 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](http://www.sntf-sd.org)*