

I Don't Have Any or Little Assets

Why Do I Need a Special Needs Trust?

Many people think they don't have enough assets to go through the trouble and expense to set up a special needs trust.

People who say they are too poor to have a special needs trust are exactly the ones who need it the most!

Here's an example: Mr. and Mrs. Jones have a small house that is paid for and about \$20,000 in assets. They have a child with special needs, David, who receives government benefit assistance by way of Medicaid and Supplemental Security Income (SSI).

If one parent should die without a will their assets that would normally pass by a will (most likely to the spouse) will be divided between the spouse and David. This is by operation of law.

In this instance, David may receive \$10,000 in his own name. This will disqualify him for Medicaid and SSI until that \$10,000 is spent down to the maximum amount allowed in assets to qualify for Medicaid and SSI, which in most states is \$2,000.

Not only will this cost David \$8,000 (in this example), but that \$8,000 must largely be spent down on items that the government would have paid for.

In addition, the house could possibly be lost as well, as it may be counted as a 'countable asset' deemed available to David. This could be a result of David owning the house and then perhaps having to move into a care facility or other living arrangement.

If the \$10,000 were put in a special needs trust, David would not only continue qualifying to receive Medicaid and SSI, but would also have that \$10,000 available to supplement those services and the house may be more secure.

You do not need to be rich to build a safety net for your loved one. This cost of NOT planning may be much higher than the cost of planning.

Due to the complexity of federal and state laws, you may require specially trained professionals to help you plan for the future of your dependent with special needs.

Call Special Care Planner Bob Johnston at 262-955-6636 for a confidential consultation.

SpecialCare is a program created by MassMutual that provides access to information, specialists and financial solutions to people with disabilities and their families. For more information about Massachusetts Mutual Life Insurance Company (MassMutual) and its SpecialCare program, please visit www.massmutual.com/specialcare.

The Special Care Planner title is used by MassMutual financial professionals who have received advanced training and information in estate and tax planning concepts, special needs trusts, government programs, and the emotional dynamics of working with people with disabilities and other special needs and their families.

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