

# THE BEGLEY LAWYER ALERT

(800) 533-7227



***Begley, Begley &  
Bookbinder, PC***  
ATTORNEYS AT LAW  
COMMITTED TO EXCELLENCE  
Specializing in Elder & Disability Law

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Please visit us on the World Wide Web at: [www.begleylawyer.com](http://www.begleylawyer.com)

## ***WHEN IS A SELF-SETTLED SPECIAL NEEDS TRUST INAPPROPRIATE?***

***By Thomas D. Begley, Jr., Esquire***

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Self-Settled Special Needs Trusts are often used when a person with disabilities receives a personal injury settlement, an inheritance, equitable distribution, alimony or child support. However, in many instances a Self-Settled Special Needs Trust is not appropriate. A disability lawyer must make an analysis on the onset to make this determination.

Some of the reasons that the trust may be inappropriate are:

- The beneficiary does not qualify. For example, the beneficiary may not be disabled or may be over age 64.
- The beneficiary may not be receiving means-tested public benefits, such as SSI and Medicaid, and may never require such benefits in the future. Also, the amount may be so large that benefits may not be necessary. In those situations a determination should be made whether a special needs trust is appropriate for other reasons. Perhaps a support trust would be adequate.
- The amount of the net settlement may be too small. For net amounts under \$100,000 it is usually better to seek an alternative to a standalone Self-Settled Special Needs Trust, because of the expense associated with establishing and maintaining the trust. If the net settlement is between \$100,000 and \$200,000, then a trust may or may not be appropriate. If an individual trustee is available then the trust cost may not be prohibitive. A pooled or community trust may be a good option.
- It is difficult to find a professional trustee if the amount of liquid assets to be placed in the trust is less than \$500,000 - \$1,000,000. If a substantial percentage of the settlement is in the form of a structured settlement annuity, there will be insufficient liquid assets to interest a financial institution in

serving as trustee.

A Quick Screen should be developed to screen those cases where a Self-Settled Special Needs Trust is not appropriate.



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## Announcements

“Begley, Begley & Bookbinder, P.C.” has expanded its representation of our senior citizen client base to advocate them in claims for veterans benefits, particularly those for Aid and Attendance. Over the past month, Thomas D. Begley, Jr., Thomas D. Begley, III, Dana E. Bookbinder and Austin DuBois have been designated as accredited attorneys authorized to undertake this work.

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## Speakers

If you are interested in having an Elder & Disabilities Law Attorney from Begley, Begley, & Bookbinder speak at an event, please contact Colleen Caruso at (856) 787-4237.

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## Begley, Begley & Bookbinder

Begley, Begley & Bookbinder, P.C. is an Elder & Disability Law Firm with offices in Moorestown, Stone Harbor and Lawrenceville, New Jersey and Huntington Valley, Pennsylvania and can be contacted at 800-533-7227. The firm services southern and central New Jersey and eastern Pennsylvania.

The Firm provides services in connection with protecting assets from nursing home costs, Medicaid applications, Estate Planning and Estate Administration, Special Needs Planning and Guardianships. If you have a legal problem in one of these areas of law, contact Begley, Begley & Bookbinder at 800-533-7227.

Begley, Begley & Bookbinder has prepared **Special Reports** concerning:

- ❖ *Planning for Long Term Care*
- ❖ *Estate Planning for Parents with Children with Disabilities*
- ❖ *Understanding Estate Planning*

- ❖ *Estate Administration*
- ❖ *Blended Families*
- ❖ *Bloodline Trusts*
- ❖ *Vacation Area Homes – Tax and Management Issue*
- ❖ *Special Needs Trusts*
- ❖ *Utilizing Special Needs Trusts in Matrimonial Cases.*
- ❖ *Using Special Needs Trust to Protect Public Benefits*
- ❖ *Resolving Your Nursing Home Medicaid Application Challenge*
- ❖ *Domestic Partners*
- ❖ *Providing for Your Pet*
- ❖ *Providing for Your Grandchildren*
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Our web site contains a library of firm newsletters, articles, on-line forms for Medicaid, Estate Planning and Guardianship, as well as our upcoming speaking engagements, our products, and other relevant information.

If you have any comments, e-mail us at [ccaruso@begleylawyer.com](mailto:ccaruso@begleylawyer.com)

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