

Self Settled Special Needs Trusts

July 27, 2010 Seminar

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Agenda

- o Introduction: benefits and practical concerns
- o SNT provisions
- o Practice issue

Introduction

- o Benefits and SNTs

Introduction

- o SNT, vs.
- o Spend down, vs.
- o Pooled Trust

Introduction

- o Who can be the settlor?

SNT Provisions

- o Sole Benefit
- o "Settlor declares this Trust to be a Special Needs Trust for the sole benefit of the Beneficiary."

SNT Provisions

- o Age 65
- o "No additions shall be accepted by the Trustee after the Beneficiary attains the age of sixty-five (65) years."

SNT Provisions

- o Use of Principal
- o "Trustee shall have the power, after obtaining approval from the Orphans' Court Division of the Court of Common Pleas of Philadelphia County, following due notice to all interested parties, including the Department of Public Welfare and Social Security Administration, to distribute to or apply for the benefit of the Beneficiary, such amount of principal . . ."

SNT Provisions

- o Payback
- o "This Trust shall terminate upon the earlier of the death of the Beneficiary or Order of Court upon petition thereto, or the termination of the guardianship of the Beneficiary through an Adjudication and Order of Distribution."

SNT Provisions

- Trustee powers
- "The Trustee shall . . . have the following powers applicable to all principal held in Trust, and exercisable pursuant to an Order of the Court:"

SNT Provisions

- Trustee
- "Unless required by the Orphans' Court or a Court of competent jurisdiction, the Trustee or Successor Trustee shall not be required to post a bond. **(Corporate Trustees will not be required to post a bond. However, Individual Trustees may be required to post bond.)**"

Practice Issues

- Approval
- Notice
- Surcharge
