



# Shared Horizons

Proudly Managing Pooled Special Needs Trusts Since 2004

Trustee

of the

Wesley Vinner Memorial Trust

&

The 3<sup>rd</sup> Party Community Trust

Yolanda Mazyck, Exec. Dir.

202-448-1460

**[info@shared-horizons.org](mailto:info@shared-horizons.org)**

**[www.shared-horizons.org](http://www.shared-horizons.org)**

# Estate Planning 101

## ■ Three Focus Areas:

### □ PAPER

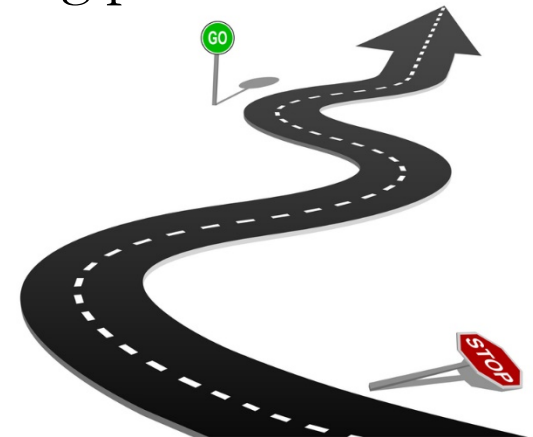
- Secure an attorney – they will help you organize your documents, create a will and guide you through the process from beginning to end

### □ MONEY

- Seek advice from a financial/estate-planning professional
- Establish a 3<sup>rd</sup> Party Special Needs Trust
  - Individual OR Pooled

### □ PEOPLE

- Develop a support network



# WHY PLAN?

1. To protect public benefits
2. To ensure your loved one can continue the lifestyle to which they are accustomed
3. To avoid estate planning mistakes
4. To avoid Probate
5. FOR PEACE OF MIND



---

# Warren Burger

Chief Justice of the  
US Supreme Court

Relying on do-it-yourself  
documents



176 words and left out key provisions

---

# Heath Ledger

Not updating

Did not update his Will  
after the birth of his  
daughter



# Florence Griffith-Joyner (Flo-Jo)

Did not tell loved ones  
where Documents were  
located  
(Tell at least 2)

4 years to close estate





**No Will or Estate Plan.  
His Estate is STILL in Probate.**

---

# Why is it important to family members with loved ones with disabilities?

- The much needed public benefits
  - Current
  - Future
- Means-tested benefits
  - Supplemental Security Income
  - Medicaid
  - Subsidized Housing



---

# What should the Plan Include?

- Review of Assets
  - Bank Accounts
  - Equities
  - Life Insurance
  - Property
  - Retirement
- Retain a “Good” Estate Planning Attorney
- A Special Needs Trust

# Omnibus Budget Reconciliation Act of 1993

## OBRA '93

In the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), Congress created three exceptions to the general rule that an individual's assets held in trust are counted as resources when determining eligibility for Medicaid:

- special needs trust (SNT)
- the disability income trust
- **POOLED TRUST(s)**
  - The Wesley Vinner Memorial Trust
  - Shared Horizons' 3<sup>rd</sup> Party Community Trust

---

# OBRA '93 Requirements for a Pooled Trust:

- The pooled trust is established and managed by a 501(c)(3)
- The trust is irrevocable
- Separate accounts are maintained for each beneficiary, but assets are pooled for investing and management purposes;
- Accounts are established solely for the benefit of the disabled individual;
- The account in the trust is established by the individual, a parent, grandparent, legal guardian, conservator, or a court; and
- The trust provides that funds remaining in the beneficiary's account upon their death, that are not retained by the trust, the trust will pay to the State the amount remaining up to an amount equal to the total amount of medical assistance paid on behalf of the beneficiary under a State Medicaid plan.

---

# What do you mean by Pooled Special Needs Trust?

- One Master Trust Document – approved by Social Security & State Medicaid.
- Funds are POOLED for investment purposes
  - Bigger pot
  - Better products
  - Greater overall return
- Less expensive to create

---

# How It works?

- Funds are pooled for investment purposes only
  - Subaccounts are managed for each beneficiary
- Team management approach
  - Considerations when reviewing requests:
    - Benefits
    - Account balance, beneficiary budget & cost
    - No harm (person or benefits)
    - Other resources

---

# What is the Role of the Representative?

The representative acts as a liaison between the beneficiary and the Trust.

They...

- ❑ have an established, ongoing relationship with the beneficiary
- ❑ make requests on behalf of the beneficiary
- ❑ may research requested items
- ❑ meet with the beneficiary and trustee as needed

A request must be made by a representative before the Trust will disburse funds

---

# What can you purchase with Trust funds?

Clothes

Personal Bills

Recreational Activities

Electronics

Assistive Technology

Classes/Training

Vacations

Dental Expenses

Entertainment

Athletic Training

Attendants

Computers...

The Trust must not supplant Social Security and Medicaid benefits, nor is it intended to supplant a parents duty to support their minor child

---

# What IS the difference between SNTs & ABLE:

SPECIAL NEEDS TRUST (SNT)	ABLE ACCOUNTS
No annual or lifetime deposit limit	\$15K Annual / \$100K maximum
Significant trustee oversight of funds & distributions	The beneficiary controls the funds – can spend as desired.
Cannot distribute for basic housing without causing a reduction in SSI	Can be used to off-set basic housing
No Medicaid payback for 3 <sup>rd</sup> Party Trusts upon death should funds remain	There IS a Medicaid payback after death in DC & VA; no payback in MD
Income earnings are taxed	Income earnings are NOT taxed
More costly to administer	Less costly to administer

Many families will use both account types when developing their estate plan. WHY? Because the SNT has no maximum limit, larger amounts can be deposited and the SNT can feed the ABLE up to \$15K/year.

SNT & ABLE working in tandem to enhance a person's quality of life.

**THIS IS THE BEST OF BOTH WORLDS!**