

Special Needs Trust

A Special Needs Trust is a type of trust for if you are living with a disability. This trust gives you income. It lets you have this income while keeping your needs-based public benefits, like Supplemental Security Income (SSI) and Medicaid benefits.



How Does a Special Needs Trust Work?

A Special Needs Trust lets you have assets. Your Special Needs Trust will then own the assets. This Trust lets you keep your public benefits while having assets.

A trust lets someone you trust manage assets or money for you. There are three parties involved in a Special Needs Trust:



- The **Grantor** is the person who funds the Trust;
- The **Trustee** is the person who manages the Trust. This can be anyone except the person with a disability;
- The **Beneficiary** is the person who receives the assets. In a Special Needs Trust, this you, the person with a disability.

The Trustee cannot give money directly to the Beneficiary. Instead, the Trustee can use the money to buy goods and services for the Beneficiary. Special Needs Trust funds are often used for things like personal care, vacations, home goods, medical and dental costs, and school expenses.

Two Types of Trusts

There are two types of Special Needs Trusts: self-settled and third-party. It's important to know which one you need. The most common type is a third-party Trust, often set up by families for their children. You can learn more about the differences between these Trust types on the [Special Needs Alliance](#) website.

Setting Up a Special Needs Trust

Special Needs Trusts can be complex, and state-specific rules may apply. It's important to create your Special Needs Trust carefully, so talking with a lawyer is highly recommended.

There's no exact amount of money required to set up a Special Needs Trust, but experts suggest starting with around \$100,000. This helps cover the costs to set up and maintain the trust. If you have questions, speak with a financial planner.

Resources

Download the Disability Rights NC [Guide to Special Needs Trusts](#)

You can learn more about financial planning at the Arc's [Center for Future Planning](#)

For help and information, visit the [Life Plan Trust](#) website or call (919)-589-0017 or (888)-301-0799 or e-mail Lifeplan1@lifeplantrust.org

Get Started with a Special Needs Trust

Step 1. Optional: Learn more about Special Needs Trusts in Disability Rights North Carolina's guide (see Resources, above).

Step 2. Contact a person at Life Plan Trust or the Center for Future Planning (see Resources, above).