

### ***in a Special Needs Trust?***

**the MSNT Trust Agreement.**  
The agreement identifies the person for whom the trust is established, referred to as the beneficiary, and defines how the trust will be managed.

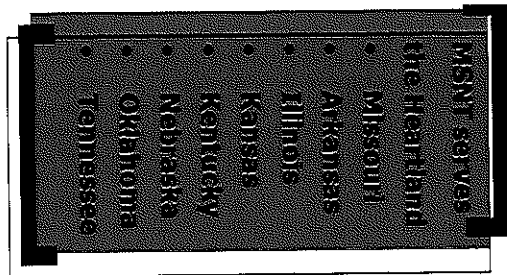
**a co-trustee to oversee the trust.**  
The co-trustee should be able to read and assure that the needs of the beneficiary are being met. The co-trustee may be the grantor or a relative who will look after the beneficiary's best interests.

**Steps to establish an account.**  
A minimum deposit of \$500 is required to establish an account. An enrollment fee of \$100 is required at opening. The fee may be reduced based on the beneficiary's income. An inactive account may be established with a deposit of \$100 and an annual fee of \$100.

### ***Midwest Special Needs Trust?***

Establishing a trust is a very personal decision. The benefits of using MSNT include:

- Minimum balance required
- No fees
- Experienced staff who are knowledgeable about special needs and benefit programs
- Applications processed each business day
- Monthly Account Statements
- 24-hour access for consultation or information regarding special needs trusts
- A responsible not-for-profit agency
- Provides charitable programs for Missourians with disabilities



**TRUST SERVICE**  
... FOR PERSONS WITH DISABILITIES

**MIDWEST SPECIAL NEEDS TRUST**  
Formerly known as Missouri Family Trust

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# MIDWEST SPECIAL NEEDS TRUST

## *Who needs a Special Needs Trust?*

- Individuals with qualifying disabilities who receive assets that would otherwise disqualify them from public benefits such as Medicaid or Supplemental Security Income (SSI) from the Social Security Administration
- Family or others who wish to provide assistance or assets to a person with a qualifying disability without interfering with eligibility for public benefits.

## *How can a Special Needs Trust help?*

By law and regulation, Medicaid and Social Security authorities exempt assets in a properly administered Special Needs Trust, protecting the benefits of the person with a disability.

## *What is a qualifying disability?*

Any person whose disability meets the Social Security definition of a disability, typically determined by federal authorities when eligibility is determined for SSI or SSDI (Social Security Disability Income).

## *How is a Special Needs Trust funded?*

The trust can be funded with assets such as—

- A Social Security back payment
  - An inheritance or life insurance proceeds
  - A personal injury or other legal settlement
  - A tax refund
  - Gifts or conserved funds
- Parents, grandparents, other family or friends may fund a Third Party Trust for a person with a disability.

## *Who can start a Special Needs Trust?*

The person with a qualifying disability can open an irrevocable first party trust with their own assets. Guardians or a Court can also create a first party trust with assets belonging to the individual with a disability.

## *How may trust funds be used?*

Upon request and approval of the co-trustee, trust funds are paid to the co-trustee or directly to the vendor for supplemental services *not* covered by Medicaid or SSI. Federal requirements prohibit trust expenditures for rent or mortgage, basic utilities, groceries or any cash distributions to the life beneficiary. Documented expenditures for items such as clothing, dental care, rehabilitation training, entertainment, travel and personal needs are permissible when they are for the best interest and sole benefit of the life beneficiary.

## *When are trusts closed?*

Irrevocable trusts are closed when the life beneficiary dies or funds are depleted. If a third party trust is revocable, it may also be closed upon settlor request to the Board of Trustees.

## *What happens to the funds when a 3rd Party Trust closes?*

After taxes and closing fees, the amount paid to named remainder beneficiaries will be—

- 100% of the remainder if no distributions have been made for benefit of the life beneficiary.
- 75% if the trust has been used with 25% to the Charitable Trust as permitted by state and federal law.

## *What is a Medicaid Payback Trust?*

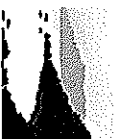
When a first party trust is closed, the remainder funds are subject to Medicaid recovery for any payments made on behalf of the life beneficiary. Administrative fees, taxes and the allowable Charitable Trust amount are also collected at closure. If funds remain after Medicaid is paid back and allowable expenses are distributed, then the remainder may be paid to remainder beneficiaries named in the trust agreement at opening.

## *What does it cost to have a Trust?*

Fees include an enrollment fee, asset value fees, and other administrative fees. The fee schedule is available on the MSNT website or upon request. As a public entity and a non-profit 501(c)3 corporation, MSNT strives to keep fees affordable for individuals with disabilities who often have limited incomes.

## *What is the Charitable Trust?*

The Charitable Trust was created to serve the needs of indigent persons with disabilities who are unable to meet their supplemental needs. The Charitable Trust provides small grants to individuals who desperately need, but cannot afford dental care, post surgical medical equipment or supplies for rehabilitation and recovery, communication devices and other needed services or supports.



Find MSNT on the web at:  
[www.midwestspecialneedstrust.org](http://www.midwestspecialneedstrust.org)

Trust Services for Persons with Disabilities