The Soto Law Group Publishes Estate Planning Guidance on Special Needs Trusts in Newport Beach, California

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The Soto Law Group, an estate planning attorney in Newport Beach, California, has published a new article and podcast episode examining how families raising a child with a disability can structure an inheritance without disrupting eligibility for needs-based government benefits. The firm handles estate planning, probate, trust administration, and trust litigation for clients throughout Orange County. The article, "What Is a Special Needs Trust and Why Might Your Family Need One?", presents an interview with Romelia "DeDe" Soto, Esq., attorney and owner of the firm, recorded for the firm's Legacy Protected podcast series.

Supplemental Security Income and Medi-Cal are needs-based programs with income and resource limits, and an inheritance paid directly to a recipient can raise countable resources above those limits and interrupt eligibility until the funds are spent down. The article identifies that result as the central risk when a will leaves assets directly to a child with a disability. The effect varies by program and by circumstance. Eligibility for California regional center services under the Lanterman Developmental Disabilities Services Act is determined by diagnosis and degree of functional limitation rather than by income or assets, though services delivered through Medi-Cal funding can be affected if Medi-Cal eligibility lapses. The article describes gifts of

$25,000 to $30,000 left directly to a grandchild with a disability, which reduced benefits already in place and required a court petition to resolve.

Two trust structures are used for this purpose, and the requirements differ. A third-party special needs trust is funded with assets belonging to a parent, grandparent, or other relative, contains no payback provision, and distributes remaining assets at the beneficiary's death to the beneficiaries named in the document, commonly siblings or charities. A first-party trust, authorized under 42 U.S.C. Section 1396p(d)(4)(A), is funded with assets belonging to the beneficiary, most often the proceeds of a personal injury settlement or judgment, and must be established before the beneficiary reaches age 65. The California Department of Health Care Services states that first-party trusts must contain notice and payback provisions, with the department recovering up to the total amount Medi-Cal paid on the beneficiary's behalf. For individuals who do not meet the age requirement, a pooled trust administered by a nonprofit organization under Section 1396p(d)(4)(C) may be an alternative.

Trustee arrangements also differ from those in a standard revocable trust. The beneficiary does not serve as trustee and does not hold direct control over trust assets. Trustees typically pay providers and vendors directly rather than distributing cash, because cash distributions and payments made for food or shelter can reduce a Supplemental Security Income payment under federal rules even where Medi-Cal eligibility is unaffected. The firm handles special needs trusts and trust administration for clients in Orange County.

A limited conservatorship is a separate court proceeding rather than a feature of the trust. California law ends a parent's automatic authority over medical and educational decisions when a child turns 18, and a limited conservatorship is one means of restoring specified authority, granted only after a petition is filed and a court finds the appointment appropriate. It is not required in every case, and less restrictive alternatives, including powers of attorney, advance health care directives, and supported decision-making arrangements, may be sufficient depending on the individual's capacity.

Romelia "DeDe" Soto, Esq., has been a member of the State Bar of California since 1999 (Bar No. 202617) and founded The Soto Law Group in 2008 after practicing family law, business litigation, and real estate law. She earned a Juris Doctor from Western State University College of Law and is a member of the Personal Family Lawyer Network. She has presented on special needs and legacy planning to Talk About Curing Autism of Orange County in a program titled "Planning For The Future, Not Just A Trust But A Legacy."

"A special needs trust is designed to supplement what government programs already provide, not to replace it," said Romelia "DeDe" Soto, Esq., attorney and owner of The Soto Law Group. "Which structure fits a family depends on whose assets fund the trust and which benefit programs are involved, and those details determine whether a payback provision applies."

The Soto Law Group is located at 4041 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660, and represents clients in Newport Beach, Huntington Beach, Irvine, and surrounding communities. Driving directions to the office are available online. Estate planning matters are billed on a flat fee basis, with all fees agreed to in advance.

The article and this announcement provide general information about California estate planning concepts. Neither constitutes legal advice nor creates an attorney-client relationship.

For more information about estate planning representation at The Soto Law Group in Newport Beach, California, the full article on special needs trusts is available at thesotolawgroup.com, and the firm's address and hours can be viewed on its Google Maps listing. The Soto Law Group continues to publish educational material on estate planning, probate, trust administration, and trust litigation through its Legacy Protected series.

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For more information about The Soto Law Group, contact the company here:The Soto Law GroupKelly Ray(949) 945-0059info@thesotolawgroup.com4041 MacArthur Blvd #200, Newport Beach, CA 92660

The Soto Law Group

The Soto Law Group serve the needs of our clients in Estate Planning, Special Needs, Conservatorships, Trust Administration, Probate or Trust and Wills disputes in Newport Beach and surrounding California communities.

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