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New York Special Needs Trusts Lawyer Christine Matus Explains the Difference Between Special and Supplemental Needs Trust

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New York: Christine Matus, a special needs trusts lawyer, and the founder of the Matus Law Group discussed in her recent article the difference between types of trusts and why they are important for parents to consider when planning ahead for their child's future.

The special needs trust lawyer specifically explains: "Special needs trusts, also known as supplemental trusts, are a valuable tool to plan for your child's future. A trustee manages the funds on behalf of the beneficiary in a special need trust. The fund payouts are not considered income and can be used to benefit the child or adult with disabilities."

However, that person may still be eligible for public benefits such as Medicaid. When used properly, a special needs trust can be a powerful tool that can ensure a high standard of living and great quality of life for those with special needs.

"Supplemental trusts" are the names of the original arrangements for people living with disabilities. They were first established over 20 years back and were intended to supplement the support provided by Medicaid and Medicare or Social Security Income, Social Security Supplemental Security Income, or other special public benefits programs.

Some lawyers argued that OBRA 1993, which authorized self-settled trusts according to 42 USC 1396p (d),(4)(A), allowed for a distinction among these arrangements and trusts set up by parents. They called the former special-needs trusts, while they were still called supplemental needs trusts. This confusion led to confusion among the general public.

Both arrangements are now called "special trusts" and their purpose is to provide financial assistance for the beneficiary with special or unique financial needs. The trust's name focuses more on the beneficiary. However, "supplemental" trusts address the shortcomings of public benefits programs.

Moreover, Ms. Matus discusses third-party special needs trust. This trust is funded by another person to benefit disabled people. It is funded by the person's estate. It is typically done by a relative, spouse, or parent of the disabled person. This is someone that the person trusts and knows.

The distribution of principal and income is under the control of the Trustee. If such conditions are not met, the government may not consider trust funds income for disabled people. The third-party SNT does not protect property or estate that a disabled person has received through inheritance, probate, settlements in court, or from any other source.

This trust cannot be used to replace any government benefits that the disabled person may be eligible for. Furthermore, the special needs trust lawyer also explained the self-settled needs trust.

These funds may come from the following: settlement, personal injury award, retirement plan; divorce; settlement; insurance policy; inheritance or probate. If a disabled person has substantial property or an estate, they can transfer it into a self-settled NNT.

All funds must be used in accordance with the strict rules of the government. The funds in this instance are not considered income and the beneficiary can become eligible for Medicaid or any other government assistance.

There are many types and types of Self-Settled special need trusts. These trusts include the pooled income special need trust, payback special need trusts, and many others. Each trust is subject to certain federal and state regulations that should be considered when setting up.

It is not easy to set up a special needs trust. Planning SNT involves important considerations regarding taxes, public benefits, as well as the impact the arrangements may have on an individual's financial and estate plans.

To learn more about special needs trusts and get in touch with Christine Matus, visit the Matus Law Group's website <https://matuslaw.com/estate-planning-attorney/new-york-city/special-needs-trusts-lawyer/>.

About Matus Law Group

Matus Law Group has been offering its services in estate planning and real estate law for more than two decades. In addition to general estate planning, Matus Law Group attorneys specialize in estate planning for clients who have a family member with special needs and elder law guidance.

The team of dedicated special needs lawyers has firsthand experience and knowledge of special needs families and is here to help families understand the best ways to protect their assets.

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Although many people believe a will is only necessary for high net worth individuals, this is simply not the case. If you own any assets at all, you should probably have a will drafted by an attorney.

To make an appointment, call now (929) 412-1808.

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