

**SERVING AS TRUSTEE OF A
SPECIAL NEEDS TRUST**

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1. **General Concepts**
 - a. Purpose of Special Needs Trust
 - b. Trustee's Role
2. **Preliminary Tasks**
 - a. Read the trust document (Trust Agreement or Last Will and Testament provisions)
 - b. Read accompanying correspondence, memoranda, letters of intent, attorney summaries, etc.
 - c. Become familiar with the special needs trust beneficiary's current benefits and potential future benefits (e.g. SSI, SSDI, Medicaid and Medicare).
 - d. Become familiar with the restrictions and parameters related to those benefits (e.g. asset and income thresholds for SSI and concepts such as in-kind income). See h., below for a good general resource.
 - e. Meet all of the beneficiary's service providers and care managers; read and discuss the personal care plan, if any. Become fully conversant in the beneficiary's disability and treatments. Consider engaging a care manager.
 - f. Engage an attorney, CPA, financial advisor/planner.
 - g. Obtain tax identification number.
 - h. Read Special Needs Trust Administration Manual, A Guide For Trustees by Jackins, Blank, Shulman, Macy and Onello, People With Disabilities Press Series, or a comparable guide.
 - i. Establish an investment plan and portfolio for the trust's assets.

- j. Establish a record keeping system.
- k. Consider whether establishment of guardianship is now appropriate.

3. **Ongoing Functions**

- a. Monitor the beneficiary's well-being; maintain regular contact with the beneficiary and the beneficiary's friends and support system.
- b. Maintain open communication with any court-appointed guardian or successor guardian.
- c. Make payments as needed for items authorized by the trust; avoid payment for items and services which are available through public benefits. Use caution regarding in-kind income items.
- d. Consider periodic updates (at least yearly) of the beneficiary's personal care plan.
- e. Keep copies of receipts, etc.; maintain complete financial records.
- f. Arrange for preparation and filing of annual trust income tax return.
- g. If third party special needs trust, never add any of the beneficiary's money or property to the trust. If self-settled special needs trust, never add others' (e.g. parents', relatives') money or property to the trust.
- h. Consider periodic updates of investment strategies for trust assets.
- i. Comply with the specific terms of the trust document (e.g. annual accountings, if required; payments for specified services, memberships, etc.)

4. **Trust Termination**

- a. Payment of final expenses.
- b. Distributions to remainder beneficiaries according to the trust document.

5. **General Concepts and Principals**

- a. Fiduciary duty; Prudent Investor Rule.
- b. Texas Trust Code.
- c. Trust modifications.
- d. The ARC of Texas Master Pooled Trust as a resource, point of reference, model, possible alternative.
- e. Possible engagement of a corporate trustee.

6. **Your Questions**