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This trust is intended to meet, and shall be interpreted to meet, the requirements for an exempt disability trust as described in 42 United States Code §1396p(d)(4)(A).

Purpose of Trust. The beneficiary of this trust suffers from a disability that substantially impairs her ability to provide for her own care and custody and constitutes a substantial handicap. The purpose of this trust is to supplement, not supplant, the public benefits that would be available to the beneficiary if the trust did not exist. Currently, the beneficiary has basic living needs such as special programs and equipment that public benefits may not provide. It is vitally important that the beneficiary receive these services to maintain a level of human dignity and humane care. If this trust were to be invaded by creditors, subjected to any liens or encumbrances, or cause public benefits to be terminated, the trust corpus would likely be depleted before the beneficiary's death—especially because the cost of care for disabled persons (not including any emergency needs) is high. In this event, there would be no coverage for emergencies or supplementation of basic needs.

The following trust provisions should be interpreted in light of these concerns and this stated intent. The trustee shall hold, administer, and distribute all property allocated to the trust for the benefit of the beneficiary during the beneficiary's lifetime, unless this trust is terminated earlier.

Distribution for Special Needs. The trustee may pay to or apply for the benefit of the beneficiary as much of the trust net income and principal as the trustee, in the trustee's

discretion, considers necessary or advisable from time to time to meet the beneficiary's special needs. Any income not distributed shall be accumulated and added to principal.

By way of illustration, and not limitation, the term "special needs" includes basic living needs such as dental care, medical care, custodial care, support services, and similar care not provided by public benefits programs, which are related to and made reasonably necessary by the Beneficiary's disabilities. The Trustee is directed to consider these basic living needs when making distributions.

"Special needs" may include, but is not limited to, the following goods and services: clothing, telephone (cell phone or land line), Internet, television (cable or satellite), hair and nail care, bedding, laundry, furniture, audio equipment, video equipment, computer equipment, adaptive equipment, toys, musical instruments, electronic devices, maintenance of equipment and household, vehicles, improvements and maintenance of such vehicles, newer and more effective medications than allowed by Medi-Cal, more sophisticated medical or dental or diagnostic work or treatment for which funds are not otherwise available, other nonessential medical procedures (such as massage therapy or acupuncture), periodic outings and vacations (and other items to enhance the Beneficiary's quality of life, self-esteem, or situation), pre-need funeral and burial expenses, and taxes.

"Special needs" will not ordinarily include basic support, such as food, shelter, and medical care already paid for by Medi-Cal. However, "special needs" may include such basic needs if the Trustee determines that they are inadequately met by the level or kind of public benefits actually

provided. "Special needs" may also include basic needs if support for such needs is not available at all, e.g., as a result of public benefit program terminations, changes in program standards under which the Beneficiary no longer qualifies, or the Beneficiary's loss of benefits on account of her earnings, unearned income, or assets.

C. Trust Estate to Supplement Public Benefits. It is the intent of this trust that the trust estate shall be used to supplement public benefits, not supplant them. For purposes of determining the beneficiary's eligibility for SSI, Medi-Cal, TANF, regional center assistance, and residential and program services from the State Department of Developmental Services and any other program of public benefits, no part of the undistributed income or principal of the trust estate shall be considered an available resource to the beneficiary.