

COMERICA TRUST

Special Needs Trusts

Allowable Distributions



A Special Needs Trust (SNT), also sometimes referred to as Supplemental Needs Trust, is a specific type of trust used to provide supplemental benefits to individuals with disabilities. The primary focus of this trust is to do so without disqualifying the beneficiary for government benefits such as Medicaid and Supplemental Security Income (SSI). The trustee of this type of a trust has the ability to exercise discretion and cover the cost of goods and services that are not otherwise provided for by government benefits so long as it is for the sole benefit of the beneficiary.

Some examples of common expenses for which the trustee of a SNT can pay are:

- Durable medical equipment not covered by Medicare or Medicaid
- Insurance premiums (health, dental, auto, homeowner's, etc.)
- Therapy, Medications and Alternative Treatments
- Vehicle, Insurance, Maintenance and Gas
- Custodial Skilled Nursing or Companion Care
- Life coaching
- Therapy, Counseling or Case management
- Travel and Entertainment
- Home renovations to improve accessibility
- Furniture and home appliances (as they relate solely to the beneficiary)
- Clothing
- School or camp tuition, tutoring and books
- Television, computers and electronics
- Phone, cable and Internet service (beneficiary's pro-rata share only)
- Taxes
- Pre-paid Burial/Funeral Arrangements

The items on the list are not exhaustive, but rather illustrative as a SNT can pay for a great many items on the beneficiary's behalf to increase his or her quality of life.

Basic needs such as food and shelter can be paid for from the SNT but will be counted as in-kind maintenance and support and may result in a reduction of the amount of SSI benefits received by the beneficiary. Trustees determine their ability to meet this need only on a case-by-case basis and after careful analysis.

It is important for a trustee to exercise discretion in making distributions and to make certain all distributions are substantiated with letters of request, receipts and all applicable back-up or invoices. Some of the most important aspects of a trustee's administration is to ensure that the beneficiary's needs are being met, his/her government benefits are maintained, and the trust is being administered properly.

Want to Know More?

Want to know more about this topic or any other? Comerica welcomes the opportunity to help. Contact your primary Comerica Relationship Manager or visit comerica.com/knowmore.