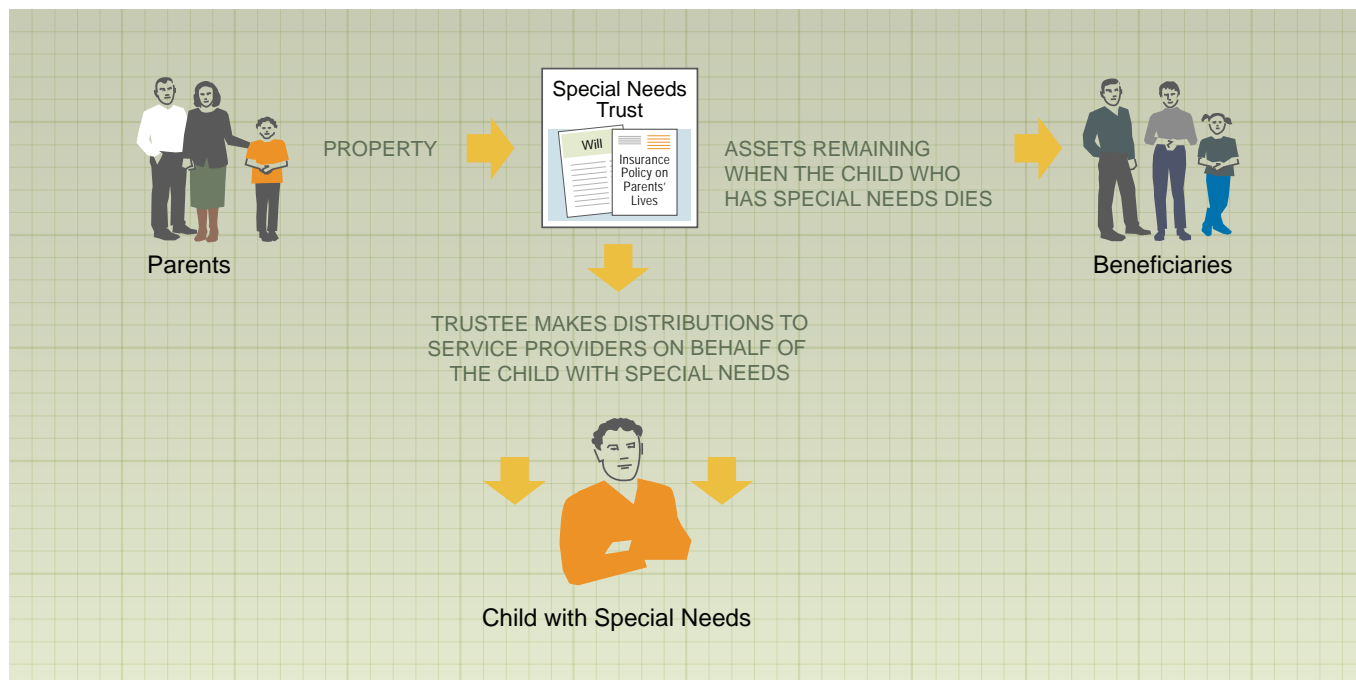


# How the Special Needs Trust Works



Parents establish the trust and may fund it minimally during life. Friends and family members who wish to make gifts to the child with special needs may also contribute to the trust. Typically, the majority of funding comes from life insurance or an inheritance or both.

A carefully selected trustee makes distributions to service providers on behalf of the child who has special needs. Distributions supplement government benefits and enhance quality of life without disqualifying the child from Medicaid and Supplemental Security Income (both means-tested programs).

When the child with special needs dies, the trust pays funeral costs, then distributes remaining assets to named beneficiaries.

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