

DANGEROUS GIFTS

The desire to help a loved one with special needs is natural. Unfortunately, if you provide support in the wrong way, you can put their government benefits at risk! It is critical that you understand how different types of support, whether income, in-kind, or qualified, can effect benefits:

INCOME

Reduction in Benefits: YES

For each dollar given to a beneficiary receiving government assistance, it will reduce his or her benefit by one dollar.

IN-KIND SUPPORT & MAINTENANCE

Reduction in Benefits: YES

Same as income, but only to a maximum of one-third of the monthly benefits received.

QUALIFIED GIFTS

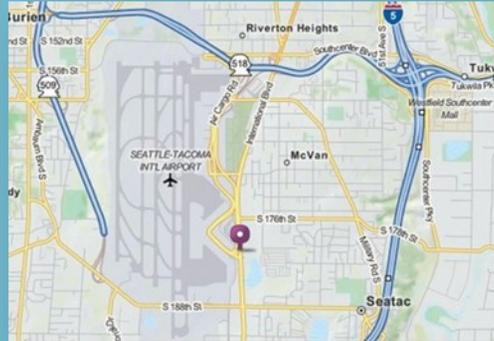
Reduction in Benefits: NO

No reduction in government benefits for receiving qualified gifts.



SeaTac Office

SeaTac Office Center, South Tower
18000 International Blvd, Suite 550
SeaTac, WA 98188



Bellevue Office

Bellefield Office Park, Cedar Bldg
1400 112th Ave. SE, Ste. 100
Bellevue, WA 98004



Directions to Bellevue Office:

From I-405 take exit SE 8th.
At the bottom of the ramp, turn west onto SE 8th.
Turn south onto 114th Ave. SE and over bridge.
Go over 4 speed bumps.
Turn right, just before the next bridge.
Cedar Building (1400), Suite 100 is straight back.
When entering the building, go past the stairs and to the right.

Contact Us:

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SPECIAL NEEDS PLANNING

Helping you plan for your family members with special needs—learn how to provide for your beneficiaries while preserving their benefits and protecting their income.

WHAT YOU MUST BE AWARE OF IF YOU ARE PROVIDING FOR SOMEONE RECEIVING GOVERNMENT BENEFITS

Examples of what you should be cautious of:

- Giving Cash
- Reimbursing for out-of-pocket expenses



Examples of items you can pay for:

- Education
- Household goods
- Vehicles



Examples of items you should not pay for:

- Food and Shelter
- Essential Utilities



However, each type of support has some impact on the amount of government assistance the beneficiary will receive.

(refer to *Dangerous Gifts* for impact on benefits)

HOW GIFTS ARE CONSIDERED

There are three types of support that a Trustee of a Special Needs Trust or an individual may provide to a beneficiary receiving government benefits:

1. INCOME

- Cash Gifts or Gift Cards or Gas Cards
- Reimbursement for Purchases
- Refundable Airline Tickets
- Debit Card or Pre-Paid Credit Cards

2. IN-KIND SUPPORT & MAINTENANCE

- Rent or Mortgage (including living rent free)
- Real Property Taxes
- Medical Bills
- Food (including paying for meals)
- Gas, Electric, Sewer, Garbage, Water
- House Purchase (one-month reduction only)

3. QUALIFIED GIFTS

- Clothing and Hobby Activities
- Tuition and Books
- Vehicle, Vehicle Insurance & Maintenance
- Gas Cards (not eligible for other purchases)
- Cable, Phone, Internet
- Household Furnishings and Furniture
- Television, Computers, Electronics
- Durable Medical Equipment
- Alternative Treatments
- Legal Fees and Some Taxes

TYPES OF SPECIAL NEEDS TRUSTS (SNT)

Third Party SNT can be created by anyone now, or after death. Funds come from anyone other than disabled beneficiary. Funds are protected from Medicaid payback.

Self-settled SNT (or D(4)(a) trust) can be created by parent, grandparent, court, guardian, or individual. Funds come from disabled beneficiary. Funds not protected from Medicaid payback.

Pooled SNT (or D(4)(c) trust) can be created by parent, grandparent, court, guardian, or individual. Funds come from disabled beneficiary and trust is managed by charitable organization.



SUPPLEMENTAL SECURITY INCOME WHAT IS IT?

- SSI is a monthly cash benefits program for aged, blind or disabled individuals who have little income and few resources.
- Means-tested: Maximum of \$2,000 in countable resources; for individuals; Maximum of \$3,000 for eligible couples.
- Gifts can reduce monthly benefits