

Setting Up the Trust, Part III: Funding the Trust

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A Few things to consider when funding a trust:

What type of trust is being funded?

Where are the funds now?

When will the funds be available?

When and how will the funds be received?

How much will be received?

What are the funds intended to be used for?

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Funding 1st Party Special Needs Trusts



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Ralph

Ralph is 41 years old and he won \$63,000 on a progressive poker machine during a recent trip to Las Vegas. While meeting with you, he tells you that he is on SSI and Medicare and that he receives \$1,086 per month.

Ralph is married and has a 11 year old son who is struggling in school. Ralph would like to use his winnings to pay tuition for a private school for his son.



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Ralph's Options

Confirm Ralph's benefits through Social Security –
www.ssa.gov

Possible that Ralph does not need a special needs trust if he is receiving SSDI not SSI. He can hold winnings in standard bank account and use the funds however he pleases.

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Ralph's Options



If Ralph is receiving any needs-based benefits, then he could put winnings in a 1st party trust, but funds could not be used for tuition.



Ralph could prepay tuition from his winnings and put any remaining funds in 1st party trust.

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