

The Arc of Northern Virginia Special Needs Trust Program Frequently Asked Questions

What is a special needs trust?

A Special Needs Trust (SNT) is a legal vehicle used to set aside funds for the benefit of an individual with disabilities. An SNT is not considered an asset or resource by certain government benefits programs and do not affect government benefits eligibility. As a result, Supplemental Security Income (SSI), Medicaid coverage, and other means-tested benefits are not jeopardized by the existence of a funded SNT.

Why establish a special needs trust?

There are several reasons why our individuals and families choose to establish and fund an SNT.

1. Many of our clients with disabilities establish an SNT to protect their means-tested government benefits when they learn they will be receiving funds which would otherwise cause those benefits to be reduced or suspended. For example, an individual with a disability who receives benefits may receive an unexpected inheritance or the proceeds of a structured settlement. These funds can be deposited into an SNT to fund future supplemental needs, including care not covered by Medicaid (such as dental and vision care).
2. Many families choose to establish an SNT as part of their estate plans. They decide to fund the SNT for their child, grandchild, or sibling with a disability through their wills, retirement plans, and/or life insurance policies so that their family member is able to access funds for future needs.
3. Some clients determine an SNT is an appropriate tool to help a person with disabilities manage his/her/their finances. Because the SNT management team handles bill-paying and budgeting, individuals with disabilities and their families increasingly find it helpful to delegate these tasks, sometimes eliminating a source of stress and anxiety between beneficiaries and family members.
4. Finally, some clients establish an SNT because they anticipate the possibility of needing to apply for benefits in the future and do not want their limited savings or a small inheritance to jeopardize their eligibility when the time comes.

What is the role of The Arc of Northern Virginia?

The Arc of Northern Virginia functions as Manager of the Personal Support Self-Funded and Personal Support Family-Funded Trusts. We oversee day-to-day client relations working directly with the person with disabilities, their siblings, parents, case managers, attorneys, dentists, and other service providers to assist with the processing of complete and accurate disbursements as well as general trust administration.



Who is the trustee?

Key Private Bank serves as Trustee of the Personal Support Self-Funded and Personal Support Family-Funded Trusts. We collaborate with Key Private Bank's wealth management teams. Key Private Bank has fiduciary responsibility and is in charge of asset management and asset allocation, account and tax reporting, and check processing for all disbursements approved by the Trust Manager.

Who's who in a SNT with The Arc of Northern Virginia?

The Grantor establishes the trust for the benefit of the Beneficiary. The Beneficiary is the person with disabilities for whom the trust is established. The Primary Representative is the person(s) named in the Joinder Agreement with whom the Trust Manager (The Arc) is authorized to communicate regarding the Beneficiary's interests and who may request disbursements for the Beneficiary.

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Who makes the important decisions?

The Grantors (those establishing the SNT) decide who may make disbursement requests on behalf of the Beneficiary (the person with disabilities). When the SNT will be funded and how the SNT funds will be spent are also decisions made by the Grantors.

What legal documents constitute The Arc of Northern Virginia's SNT?

The main legal agreement is the Master Agreement. It outlines the necessary requirements for an authorized nonprofit to manage an SNT program.

The Joinder Agreement provides information about the Beneficiary, the Grantor, and the Primary Representatives of the Beneficiary, as well as information about disbursements from the Beneficiary's trust and annual costs associated with the Trust, and which sets forth other issues regarding the relationships among the Trustee, manager, and Grantors.

Our documents were written by our attorneys specializing in elder law and disability regulations.

Other supporting documents include the W-9, disclosure statement, payment options form, and account statements form. In addition we have a short list of other documents and papers needed when establishing a trust with The Arc of Northern Virginia.

What makes The Arc of Northern Virginia's program unique?

The Arc of Northern Virginia belongs to a national organization with nearly 700 chapters throughout the United States. We have been advocating for the human rights of people with disabilities for over 59 years. Our SNT program is a service for families and people with disabilities residing in Virginia, Maryland, and Washington, DC.

Our partnership with Key Private Bank allows our SNT team to focus on what we do best: understanding, supporting, and serving individuals with disabilities and their families.

With patience and sensitivity, our team educates prospective clients, implements new trust agreements, and conscientiously administers the disbursement process. With Key Private Bank's support, we are able to ensure each individual's SNT funds are spent in accordance with the grantor's intentions and in a manner which most efficiently and appropriately supports the independence, safety, and comfort of the individual with disabilities.

Where is The Arc of Northern Virginia?

**The Arc of Northern Virginia
Special Needs Trust Program
2755 Hartland Road, Suite 200
Falls Church, VA 22043**

Serving DC, Virginia, and Maryland

