

POOLED SPECIAL NEEDS TRUST PROGRAM

Military Survivor Benefits Plans

ABOUT MILITARY SURVIVOR BENEFITS (SBP)

The Survivor Benefit Plan is a Department of Defense program that allows military retirees to provide a portion of their pension to a chosen beneficiary after death. While many retirees name a spouse as the beneficiary, the SBP can also be directed to a child with a disability. For families in this situation, the SBP can be a crucial lifeline, providing financial resources to their child well into the future.



WHY DO I NEED A TRUST FOR SBP ?

- SBP payments count as income. If the payments are made directly to a person with a disability, they will likely exceed income limits for programs like SSI or Medicaid (including a Medicaid Waiver), which could result in the loss of those critical benefits.
- Fortunately, with proper planning, there's a way to preserve both the SBP benefit and eligibility for means-tested programs. Instead of naming the child directly, the SBP payments can be directed to a properly established self-funded special needs trust. This type of trust is specifically designed to hold assets and income for a person with a disability without affecting their eligibility for SSI, Medicaid, or other programs with income and asset limits. The funds in the trust can then be used to enhance the person's quality of life, while keeping their public benefits intact.

WHAT TYPE OF TRUST DO I NEED FOR SBP?

Because the benefit is in the beneficiaries own name, it must be directed to a Self - Funded* Special Needs Trust.

HOW DO I SET UP A TRUST FOR SBP?

The parent(s) must first establish a self-funded special needs trust and then update their SBP beneficiary designation to name the trust, not the child directly. By taking these steps proactively, families can ensure that their loved one with a disability remains eligible for vital public programs, even after SBP payments begin.

Establishing the trust now and updating your beneficiary designation can offer peace of mind and long-term security for your family

NEXT STEPS

 703-208-1119

 www.thearcofnova.org/program/trust



Visit our website to learn more about trusts and Register to attend Trust Talk Tuesday!

*also called first-party trust in some programs and literature