

INDEPENDENT
THINKING

A NEW FIDUCIARY PERSPECTIVE

EVERCORE
evercorewealthandtrust.com



Third Edition

**SPECIAL NEEDS TRUSTS:
IDENTIFYING A RESPONSIBLE FIDUCIARY**

Special Needs Trusts: Identifying a Responsible Fiduciary

Families – and their advisors – can struggle to find a willing, able, and qualified fiduciary. Wealth can help, but without thoughtful planning and investing, it also can create additional challenges. High-net-worth families affected by addiction, autism, and other physical, mental, and emotional challenges need to structure and manage assets accordingly – mindful of the needs of the whole family. **Are you working with a fiduciary that has the experience and commitment to help your clients’ families?**

Successful Wealth Management and Fiduciary Administration Takes a Team

Administering a special needs trust is considerably more complicated than managing most other trusts. Here are some of the considerations involved:

<p>TRUSTEES & THE FAMILY</p>	<p>Trustees of special needs trusts should have a deep appreciation of the circumstances and aspirations of the beneficiary with special needs, to ensure that the trust will serve its purpose as a positive contribution to the quality of that person’s life, and to the family as a whole.</p>
<p>TRUSTEES & FIDUCIARY RESPONSIBILITY</p>	<p>Trustees of special needs trusts have a fiduciary responsibility to invest funds, make disbursements, pay taxes, and maintain detailed accounts on behalf of the trust.</p>
<p>TRUSTEES & REGULATION</p>	<p>Trustees of special needs trusts need a full understanding of government programs, including strict regulations concerning the use of trust assets. Improper use of funds can disqualify the special needs beneficiary from certain government benefits.</p>
<p>TRUSTEES & THE TEAM</p>	<p>Trustees of special needs trusts should be prepared to work with – and often lead – the family’s dedicated team, which can include medical providers, caseworkers, lawyers, accountants, and other co-trustees.</p>

Evercore Wealth Management and Evercore Trust Company are proud to serve families with special needs members. Our Wealth & Fiduciary Advisors and Portfolio Managers thoughtfully plan, invest, manage, and oversee assets on behalf of beneficiaries – honoring the goals of the grantors and adjusting as circumstances change.

Here is a recent case study from Evercore Wealth Management and Evercore Trust Company that serves as an example of our best practices as a modern fiduciary when working with families with special needs members.

CHALLENGE: A health scare is described by a father as a “wake-up call,” when he realizes that he and his wife eventually would not be able to house or care for their disabled son. While the couple is confident that their other children will stay involved in their brother’s care, they don’t want to pass the full responsibility on to them.

BACKGROUND: This couple has spent 25 years caring for their youngest son, who was born with several congenital disabilities. The passing health scare prompted them to revisit their estate plan. First things first: With help from their Evercore Wealth & Fiduciary Advisor, the couple started by addressing some tough questions:

- What are their wishes for the continued care and support of their son with special needs?
- Should they set aside funds now to provide for their son and, if so, how much should that be to ensure he will have the best possible quality of life after they are gone?
- Should they entrust their other children to be primary caregivers?
- Should they name a corporate fiduciary to oversee their son’s personal and financial affairs?
- What will the impact be on the family as a whole?

SOLUTION: The Evercore team organized a series of meetings with the parents, their attorney, and a care manager to develop a comprehensive special needs planning analysis. The results of these discussions include:

- Establishing the amount of financial assets needed to maintain the same personal – and intensive – level of care for their son’s lifetime.
- Implementing a new special needs trust with generous and flexible terms.
- Ensuring that the value of the special needs trust will not be counted against potential government benefits, including Medicaid.
- Preparing the parents for a discussion with the other children, so they understand how these plans will affect their own inheritances.
- Naming the two siblings as co-trustees of the special needs trust, along with Evercore Trust Company, N.A.
- Scheduling regular meetings with the parents, the beneficiary’s siblings, and the family’s other trusted advisors to review and adjust for evolving needs and market conditions.

Our dedicated team of Wealth & Fiduciary Advisors and Portfolio Managers continues to work closely with this family as well as other families confronting physical, mental, and emotional challenges. We are honored to be able to help families with their complex wealth planning and fiduciary objectives.

To learn about how we can help you serve your clients, please visit us at evercorewealthandtrust.com or contact any of our Wealth and Fiduciary Advisors. We look forward to speaking with you.

NATIONAL**Chris Zander**
CEO

+1.212.822.7622
zander@evercore.com

Jeff Maurer
Chairman

+1.561.812.1015
maurer@evercore.com

Justin Miller
National Director
of Wealth Planning

+1.415.288.3012
justin.miller@evercore.com

Alex Lyden
Chief Fiduciary Officer

+1.302.304.7369
alex.lyden@evercore.com

NEW YORK**Sean Brady**

+1.212.835.0022
sean.brady@evercore.com

Paulo Coelho

+1.212.849.3697
paulo.coelho@evercore.com

Ashley Ferriello

+1.212.822.7691
ferriello@evercore.com

Karen Francois

+1.212.822.7647
francois@evercore.com

Nancy Shavel Gabel

+1.212.822.7616
gabel@evercore.com

Neza Gallitano

+1.212.671.8779
neza.gallitano@evercore.com

Kate Mulvany

+1.212.822.7639
mulvany@evercore.com

Thomas Olchon

+1.212.336.6612
thomas.olchon@evercore.com

Alex Pavelock

+1.646.259.7960
alex.pavelock@evercore.com

Cathy Yau

+1.646.259.7871
cathy.yau@evercore.com

MINNEAPOLIS**Rachel Halverson**

+1.612.656.2835
rachel.halverson@evercore.com

Stacie Price

+1.612.656.2828
stacie.price@evercore.com

Daniel Stolfa

+1.612.656.2822
daniel.stolfa@evercore.com

Paula Stumne

+1.612.656.2818
paula.stumne@evercore.com

SAN FRANCISCO**Todd McPherson**

+1.415.288.3013
todd.mcpherson@evercore.com

Keith McWilliams

+1.415.288.3010
keith.mcwilliams@evercore.com

Iain Silverthorne

+1.415.229.8084
silverthorne@evercore.com

Erica Sloan

+1.414.229.8079
erica.sloan@evercore.com

Edith Tse

+1.415.288.3026
edith.tse@evercore.com

PALM BEACH**Michael Cozene**

+1.561.812.1010
michael.cozene@evercore.com

Tracy Elling

+1.561.812.1019
tracy.elling@evercore.com

Ross Saia

+1.561.812.1013
ross.saia@evercore.com

TAMPA**Julio Castro**

+1.813.313.1192
julio.castro@evercore.com

Michael Cozene

+1.813.313.1193
michael.cozene@evercore.com

Meredith Fisher

+1.813.313.1194
meredith.fisher@evercore.com

WILMINGTON**Alex Lyden**

+1.302.304.7369
alex.lyden@evercore.com

The information provided is for illustrative/educational purposes only. It is based on assumptions that we believe are reasonable within their context; however, actual results will vary. All investment strategies referenced in this material come with investment risks, including loss of value and/or loss of anticipated income. Past performance does not guarantee future results. No investment strategy or risk management technique can guarantee returns in any market environment. This material is not intended to constitute legal, tax, investment or financial advice. Effort has been made to ensure that the material presented herein is accurate at the time of publication, however, we have no obligation to update, modify or amend this information or to otherwise notify a reader in the event that any such information becomes outdated, inaccurate, or incomplete. This material is not intended to be tax or legal advice, nor a full and exhaustive explanation of the law in any area or of all of the tax, investment or financial options available. The information discussed herein may not be applicable to or appropriate for every investor and should be used only after consultation with professionals who have reviewed your specific situation.

Evercore Wealth Management, LLC ("EWM") is registered with the Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940. Registration with the SEC does not imply a certain level of skill or training. The SEC has not reviewed or approved any calculation or presentation of performance results included in these materials. EWM's performance results are available upon request. EWM prepared this material for informational purposes only and should not be viewed as advice or recommendations with respect to asset allocation or any particular investment. Evercore Trust Company, N.A., is a national trust bank regulated by the Office of the Comptroller of the Currency. EWM obtained the information in this presentation from multiple sources believed to be reliable as of the date of publication; EWM, however, makes no representations as to the accuracy or completeness of such third party information. Investment Management services are provided by EWM. Trust and custody services are provided by Evercore Trust Company, N.A.