INDEPENDENT THINKING

A NEW FIDUCIARY PERSPECTIVE

EVERCORE

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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:

TRUSTEES & THE FAMILY	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.
TRUSTEES & FIDUCIARY RESPONSIBILITY	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.
TRUSTEES & REGULATION	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.
TRUSTEES & THE TEAM	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.

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.

Evercore | Wealth Management
Trust Company

THE NEW STANDARD IN WEALTH MANAGEMENT

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.

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