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## *Discretionary Trusts for the Disabled*

Many families with a disabled family member face a challenge: if I leave money to my disabled family member, will it destroy their government benefits?

In Ohio, there are several trusts you can use to avoid destroying the government benefits of a disabled family member. They are called Special Needs Trusts. One type of Special Needs Trust is the Discretionary Trust. This trust has the greatest amount of freedom and flexibility of all Special Needs Trusts.

A Discretionary Trust is a living trust. It must be set up by someone in the disabled person's family (not the disabled person). Money in the Discretionary Trust must come from someone other than the disabled person-like a parent or sibling. This makes it perfect for inheritance.

The key to a Discretionary Trust is that the trustee is given complete and unrestricted freedom about how to use the funds. As a result, it is crucial to appoint a trustee with good judgment, preferably someone who knows the disabled person.

Like most good estate planning, a discretionary trust must be set up in advance. If money is left directly to a disabled person, this type of Special Needs Trust is no longer available.

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