

# Trusts

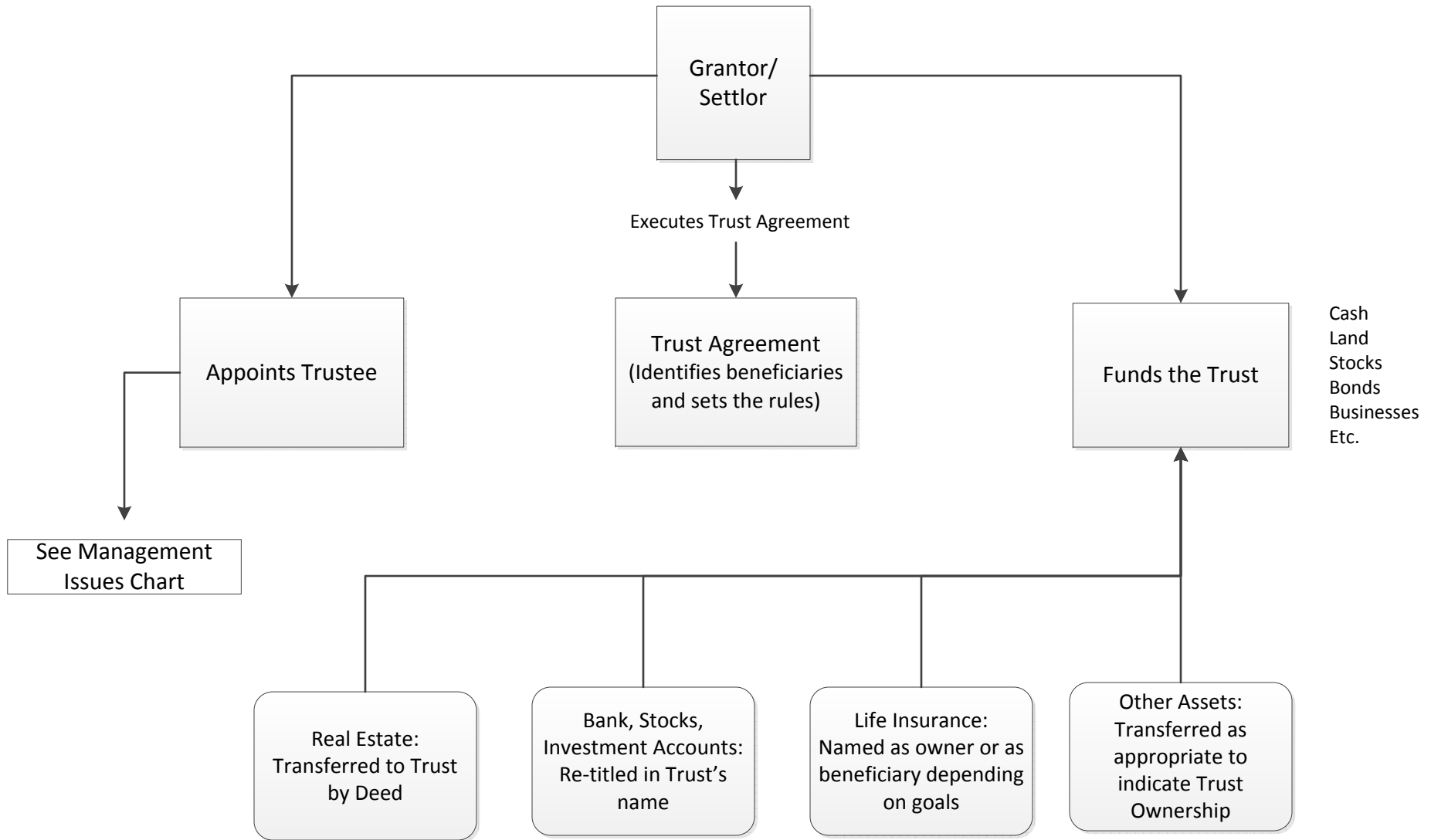
## How They Work



(706) 428-0888

[www.mcguddy.net](http://www.mcguddy.net)

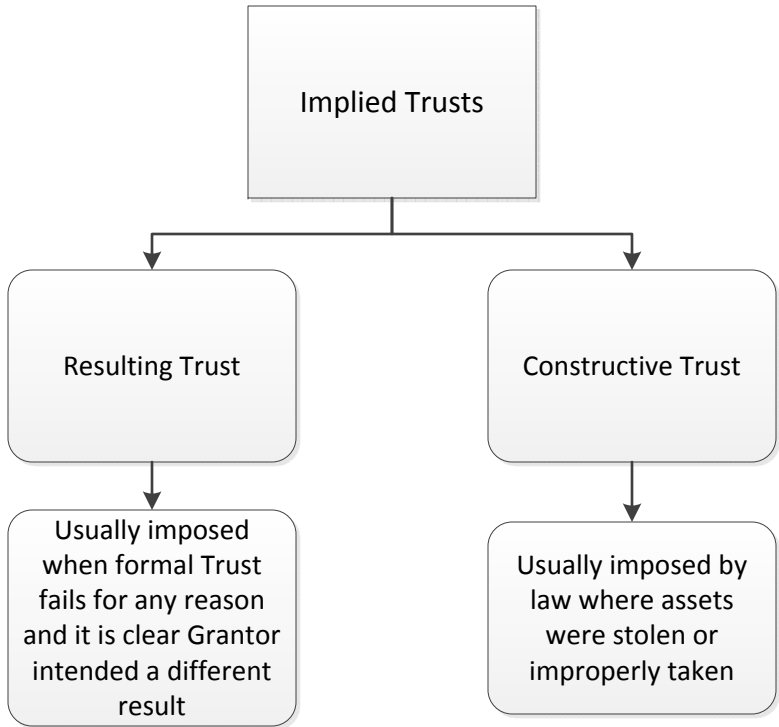
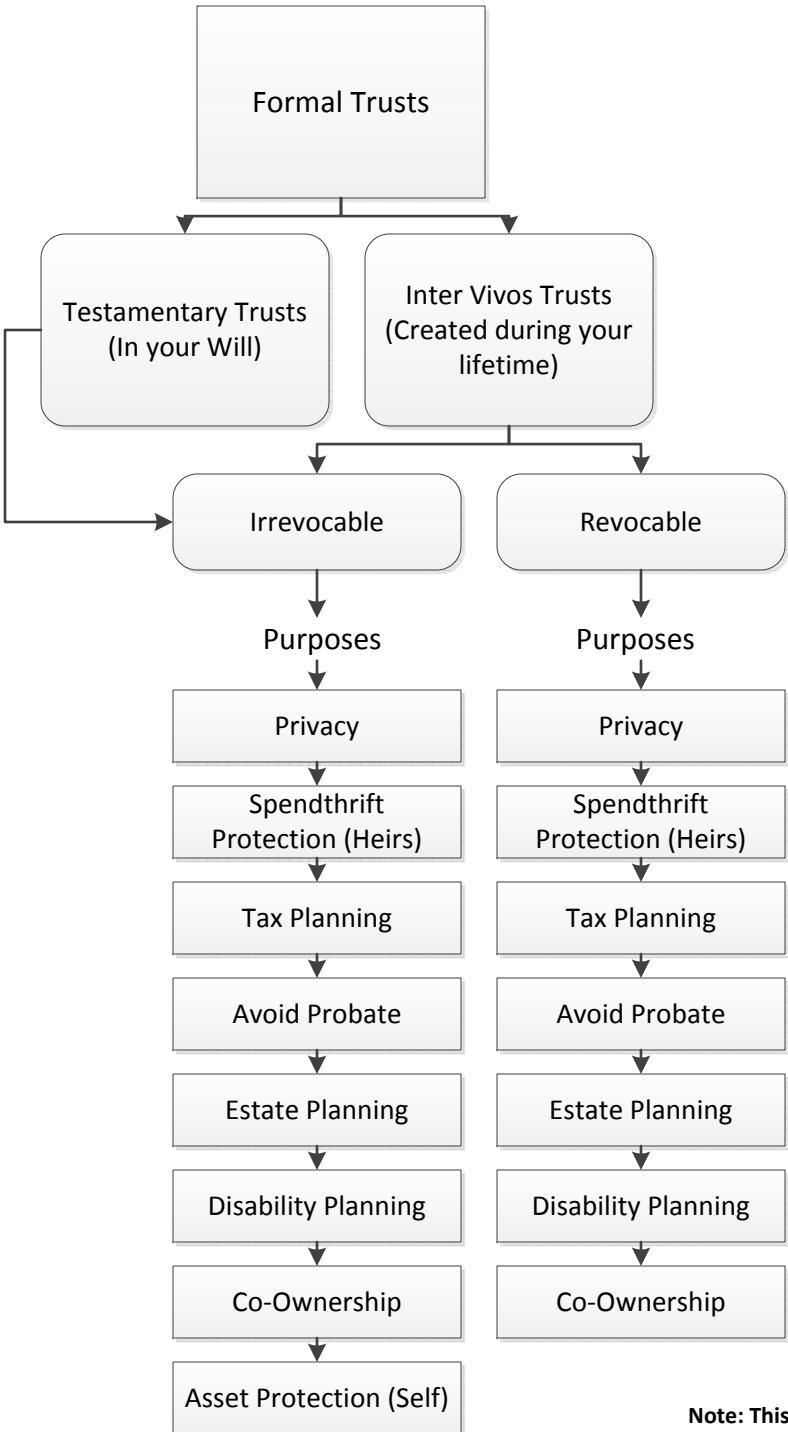
# Trust Creation and Funding



*Assets are not subject to the Trust terms until they are transferred to the Trust – Proper funding is imperative*

**Note: This chart makes “generalized” statements. Consult legal counsel for specific advice concerning what kind of trust you need**

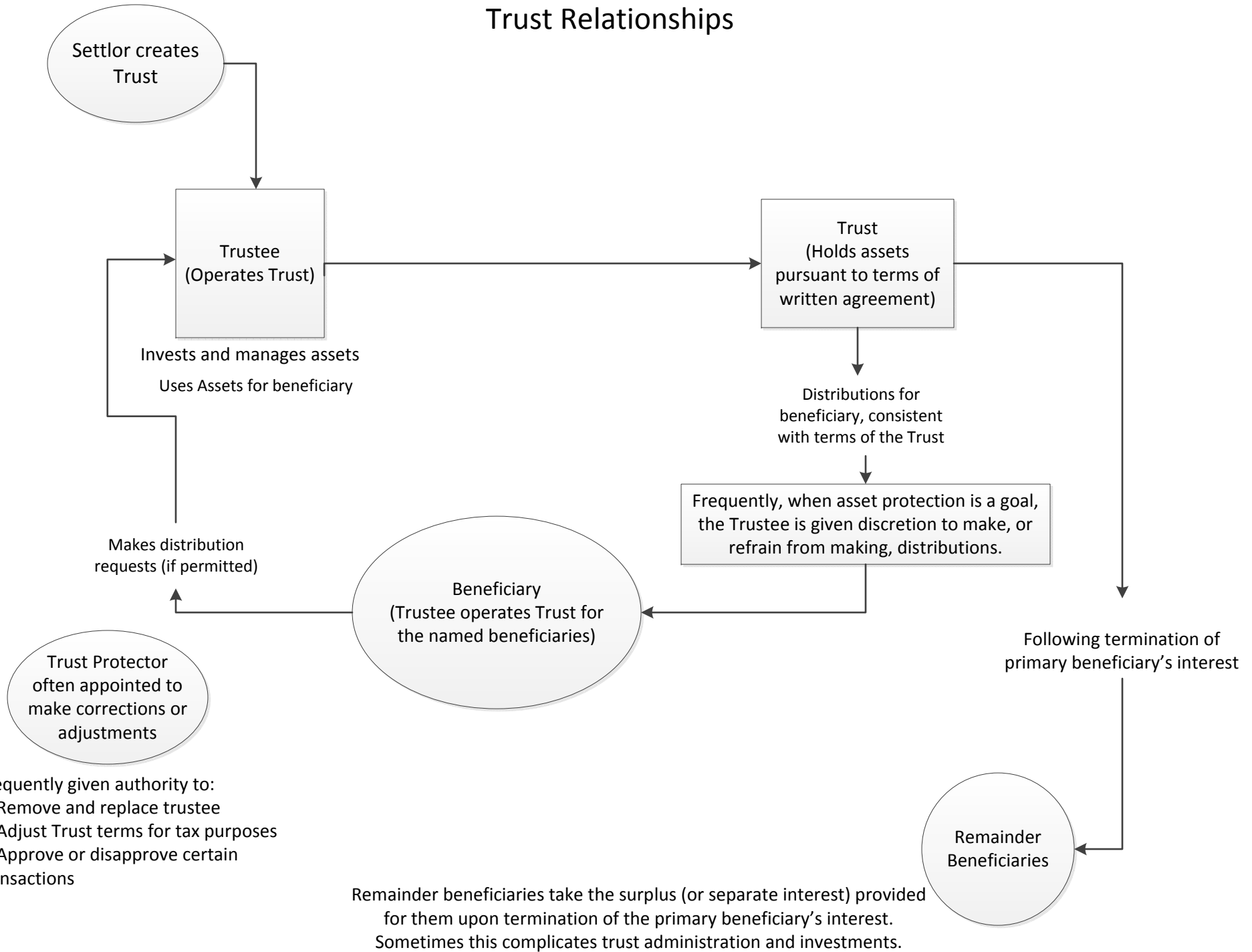
# Types of Trusts And Purposes



A Trust can be used to place conditions and/or restrictions on the use of funds given to a beneficiary. For example, a trust can provide that funds will only be used for education, or for a disabled individual's special needs

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# Trust Relationships

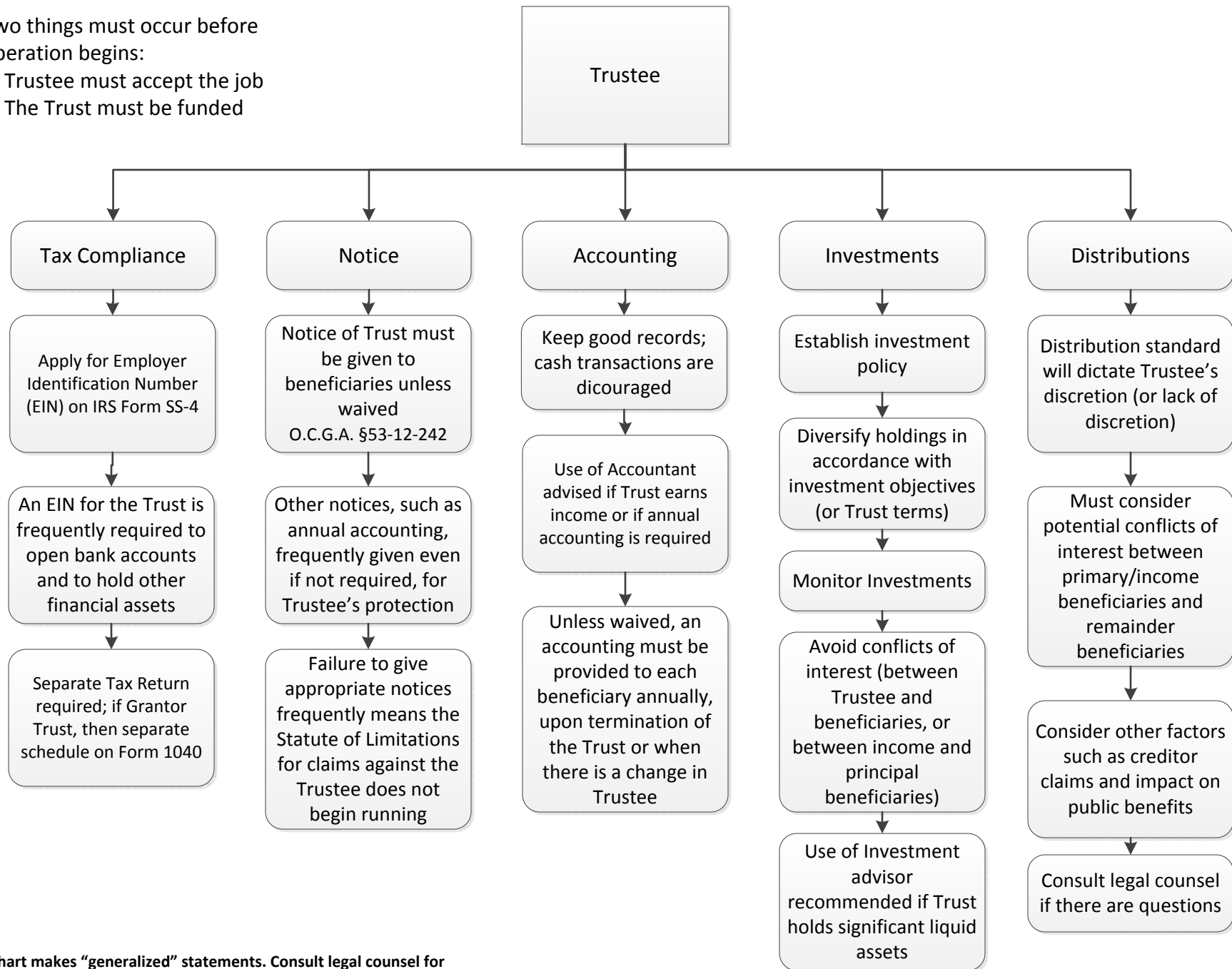


- Frequently given authority to:
1. Remove and replace trustee
  2. Adjust Trust terms for tax purposes
  3. Approve or disapprove certain transactions

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# Trust Management and Operation Issues

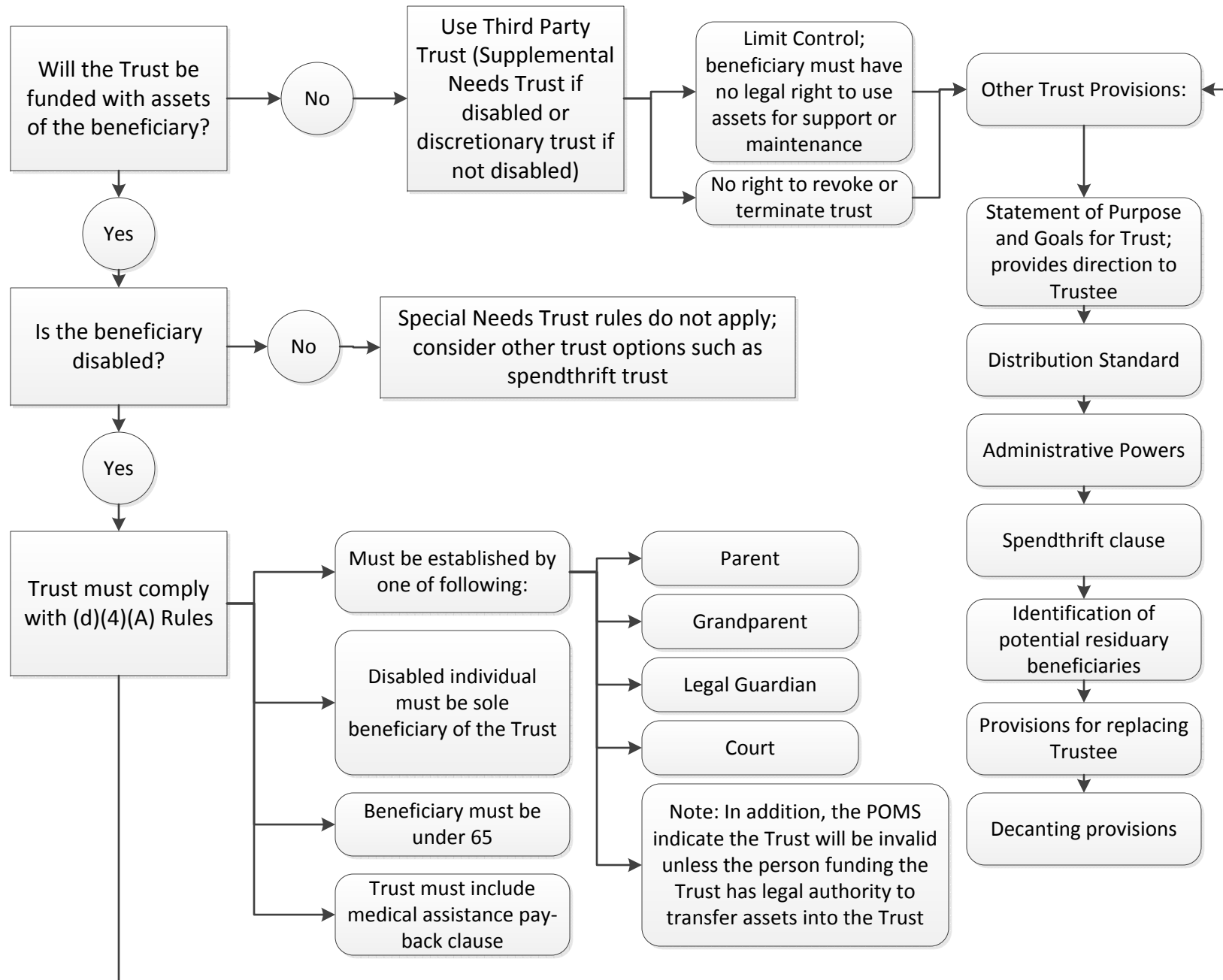
- Two things must occur before operation begins:
1. Trustee must accept the job
  2. The Trust must be funded



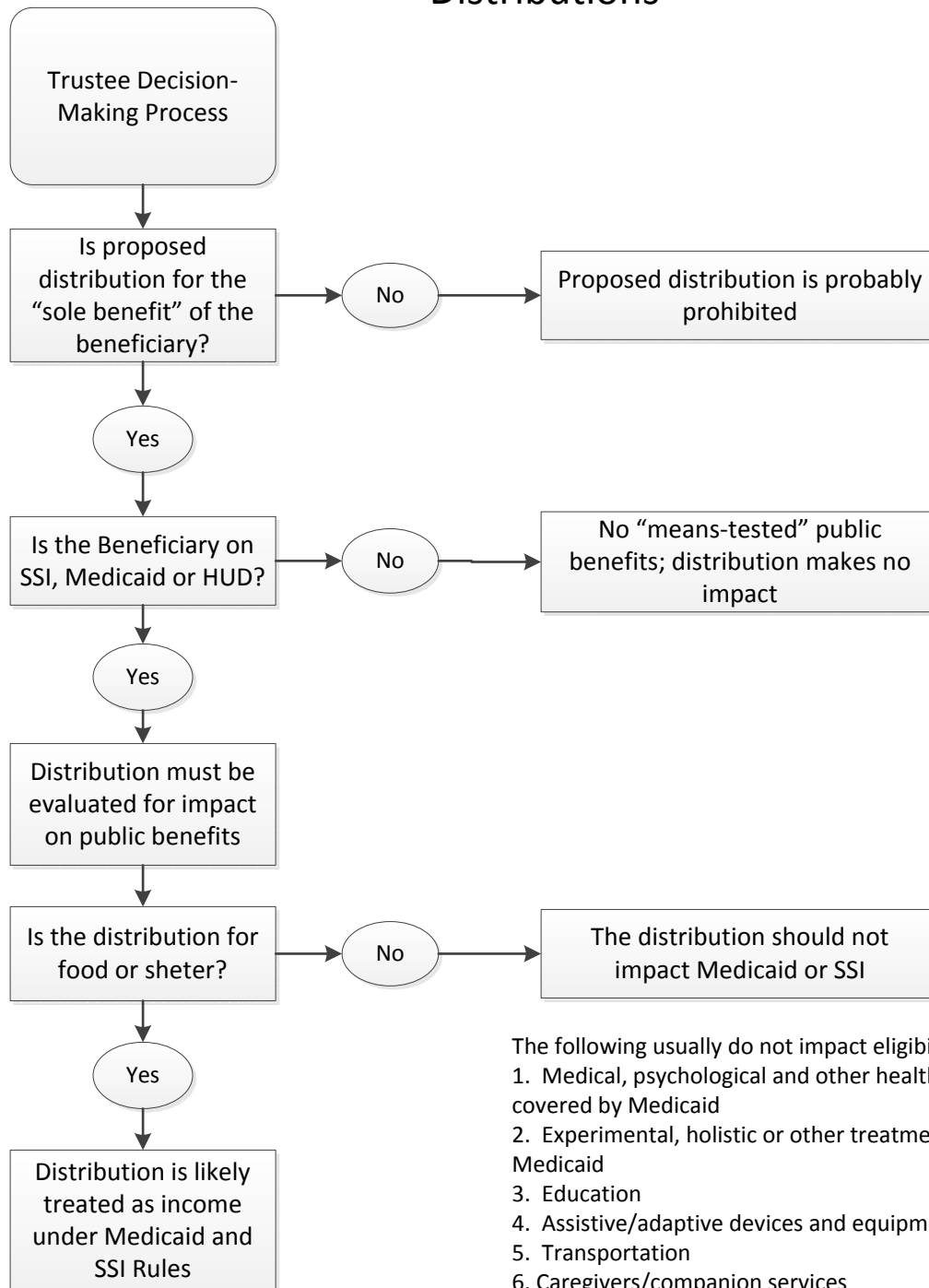
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# Special Needs Trusts – Formation and Structure

(Frequently Used For Disability Planning)



# Special Needs Trusts Distributions



The following usually do not impact eligibility:

1. Medical, psychological and other health treatment not covered by Medicaid
2. Experimental, holistic or other treatments not covered by Medicaid
3. Education
4. Assistive/adaptive devices and equipment
5. Transportation
6. Caregivers/companion services
7. Communications/phone
8. Recreation and entertainment
9. Respite services

Following are deemed to be a shelter expense:

1. Mortgage payments
2. Real property taxes
3. Rent
4. Heating Fuel
5. Gas (for home)
6. Electricity
7. Water
8. Sewer
9. Garbage removal

# Georgia Special Needs Trust Accounting

