



Congress Helps Vets Safeguard Security of Kids with Disabilities

A little-publicized provision in the recently passed bipartisan National Defense Authorization Act (NDAA) will help military veterans safeguard quality of life for children with disabilities after a parent's death. Military retirees with a Survivor Benefit Plan pension may now assign such funds to a first party special needs trust (SNT) established on behalf of the child. Many civilian parents consider leaving their retirement benefits to such trusts a critical part of their estate planning, since inheriting money (or pension benefits) could directly endanger eligibility for essential government programs.

“Our veterans deserve an opportunity to do the very best for their children with disabilities,” notes Richard A. Courtney, president of the Special Needs Alliance (SNA). “SNA has long championed this legislation, including visits to the Hill to seek sponsors. Board member Kelly A. Thompson, who works with many military families, was instrumental in bringing this serious problem to the attention of Congress and has been a leader in the SNA’s advocacy efforts.”

Means-tested public benefits such as Medicaid and Supplemental Security Income (SSI) often provide a foundation for the financial security of an individual with disabilities. Funds that are held in an SNT are not considered when determining eligibility and can be used to pay for therapies not covered by the government, a service dog, computer and a wide variety of other needs. This legislation now protects children with disabilities from losing these benefits. First party SNTs are created with funds belonging to the beneficiary, typically due to an inheritance or a personal injury settlement. Upon the individual’s death, remaining assets must be used to reimburse Medicaid for services performed on behalf of the individual.

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