

Special Needs Trusts are created to support people facing long-term physical and mental challenges. The institution you choose to manage the trust, especially when serving in the role of trustee, must be highly experienced and possess the skills to work with families navigating the intricacies of government benefits. When choosing a trustee for a special needs trust, it's essential to ask the right questions to ensure the best possible outcome. Below are five key questions to consider as you evaluate potential trustees:

#1. Will you be around for the long haul?

Look for a professional trustee that has many years of experience navigating the complexity of Special Needs Trusts.

Our answer: Laird Norton Wetherby Trust Company (NWTC) has served as a corporate trustee since 1967, and we currently operate two trust companies: The Laird Norton Wetherby Trust Company, LLC, based in Washington State, and Laird Norton Wetherby Trust Company of South Dakota. Our Washington office has served as trustee for Special Needs Trusts since the early 1990s. We have demonstrated the extensive experience, along with the compassion needed to serve in this capacity. We understand how these Special Needs Trusts interconnect with government benefits. The trust beneficiary works with a team of professionals within LNW trust services so there is always someone who knows their story. We also work with attorneys and CPAs outside of LNW who are experts in this field.

#2. How do you determine what is in the best interest of the beneficiary? This critical component of the Special Needs Trust process encompasses intimately understanding the needs of the beneficiary over their lifetime. With this question, it is important to hear how a trustee works to know the beneficiary and/or their guardian, and determines what is in their best interest over time.

Our answer: Our process is built on developing strong relationships with our clients, who may be funding the Special Needs Trust and also be the guardians of the trust beneficiary, as well as the beneficiary. Starting with the initial interview, we take careful notes and listen intently to the needs of the beneficiary. We take advantage of every opportunity to get to know the beneficiary, by holding meetings, through emails, or during periodic calls to see how things are going. Each interaction is important in developing our relationship, and we take each interaction seriously. Over time, we gain a deep understanding of the capabilities and needs of each beneficiary. We use all that information to guide us when making a distribution under the terms of the trust.

#3. Who drafts the trust and how does that process work? It's important to understand if the trustee works with the drafting attorney, what happens when the trust is ready, and how they will work together with you in the future.

Our answer: Attorneys are excellent at drafting the trust document, but they don't administer the trust, which is where the trust administrator steps in. Before the trust document is finalized, we review it carefully, looking for the key goals the beneficiary and their guardians have shared with us. We engage with the family and the attorney during the drafting process, review any changes and bring up suggestions that can further meet the beneficiary's needs and goals. Once the trust is finalized and the court approves our appointment as trustee, we connect with the beneficiary and / or their guardian(s) to continue discussing their goals while developing an investment plan. From that point on, we meet as often as necessary and whenever the beneficiary or their guardians would like.



#4. What is included in your fee? You should be provided with an inclusive fee schedule. Does this fee include both administration and investment advice? What exactly is covered?

Our answer: At LNWTC, we provide and review a copy of our fee schedule with you. It outlines our annual fee, inclusive of trust administration and asset management. It also details our custody and trust tax return fees. We do not charge extra for bill pay, meetings, discussions with care providers, etc. We do not complete personal tax returns, but we can help you find a CPA who is experienced in returns involving trusts.

#5. Can the trust purchase a home? This is a question geared towards understanding if the trustee has experience in purchasing real estate and is willing to hold a home as an asset of the trust.

Our answer: The answer isn't always straightforward. We typically see home ownership as a good investment; however, it needs to be accomplished with the best interest of the beneficiary in mind while adhering to the terms of the document. A well-drafted Special Needs Trust document often contains provisions with regards to either the purchase of a home or a major asset, and each trust can be different. If the document allows ownership in some fashion, we consider the needs of the beneficiary, and if the trust can support all aspects of homeownership such as taxes, maintenance, and insurance. We also consider any government benefits the beneficiary is receiving and provide guidance on how those may be affected.

Special Needs Trust administration requires deep experience and knowledge of how these often-complex trusts work. As you listen to potential trustees, think about how you want your loved one to be treated. Does it sound like the trustee has experience working with someone with similar disabilities? Did the trustee mention government benefits and the requirements for those? Did the trustee share any experiences involving difficult conversations? Do you feel comfortable asking this trustee any question on your mind? If the responses to any of these questions give you the slightest pause, keep looking until you find a trustee that provides the peace of mind you and your family expect. Your loved one with special needs deserves a trustee that will be their trusted partner for a long and fruitful life.

Contact us to start a conversation.

ABOUT THE AUTHOR



Susan Zurek, CTFA, ChSNC®, FPQP™, ATFA, With more than two decades of experience in trust administration, Susan brings to her client relationships a rare combination of empathy and expertise. She works closely with LNW specialists in investments, tax strategies and wealth planning to administer trusts in alignment with the intent of the grantor, the needs of the beneficiaries, and federal and state laws and regulations.



ABOUT LNW

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To help turn lifetime ambitions and multigenerational aspirations into reality, Laird Norton Wetherby (LNW) brings to each client a high level of care combined with deep expertise in wealth and legacy planning, investments, and trust and estate services.

Offering both RIA (registered investment advisor) and trust services, LNW is committed to providing clients with unbiased, independent guidance and solutions. LNW has offices in Seattle, San Francisco, New York, Los Angeles and Philadelphia, as well as an affiliated trust company in South Dakota, empowering clients across the U.S. and around the world.



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