

Update: 21 March 2011 Special disability trusts – greater accessibility



Fleming Muntz
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Summary

Recent changes to the Special Disability Trust (“SDT”) initiative include an expansion of the current care and accommodation guidelines and the ability for trustees of SDTs to have discretionary spending rights.

What’s changed?

The Federal Government introduced SDTs into social security legislation on 20 September 2006.

As a result, family members and carers who have the financial means to do so can make private financial provision for the care and accommodation needs of a family member with a severe disability. At the same time, they can enjoy social security means test concessions for both the disabled person, and the eligible contributor.

Recent changes to the SDT initiative include an expansion of the rules to allow:-

- Disabled beneficiaries of a SDT to work up to 7 hours a week in the open job market and still qualify as a beneficiary of their trust.
- The SDT to pay for the beneficiary’s medical expenses, including membership costs for private health funds, and the maintenance expenses of assets and properties held in the trust.

- The SDT to spend up to \$10,000.00 in a financial year on discretionary items not related to the care and accommodation needs of the beneficiary of the trust.

What are the benefits?

The original SDT initiative enabled family members and carers to secure the financial future of a disabled person, without adversely impacting their own or the disabled person’s social security entitlements. These recent changes allow more flexibility in how the income and capital of a SDT can be applied to benefit the disabled person.

How can Fleming Muntz help?

Care and provision for a disabled child or family member is a constant issue of concern for many people. Fleming Muntz have experienced estate planning lawyers who are skilled in providing advice regarding life and death planning for persons with a disability and their families.

Important fine print

This update is for general information only. It is not a complete guide to the area of law. Competent advice should be obtained before taking any action.

We resent unwanted email as much as anyone – if you would prefer not to receive any further updates, please telephone us on (02) 6021 2222 or email to enquiries@flemingmuntz.com.au.

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