

Special Needs Trust. Under a special needs trust, the beneficiary is an individual with a disability who does not hold legal title to the trust assets. Rather, the trustee holds title and ownership of the property for the beneficiary, so the beneficiary does not exceed maximum value thresholds for asset ownership under means-tested public assistance programs, such as Social Security Income or Medicaid. According to the Assembly Revenue and Taxation Committee’s analysis of this bill, “While a special needs trust is not specifically delineated, it would appear that existing law already authorizes a special needs trust as an eligible form of transfer.” This bill provides explicit authorization for a transfer through a special needs trust to qualify for the intergenerational transfer exclusion.

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