

Advance Directive: A statement stipulating your wishes regarding your health care and medical treatment should you become unable to make these decisions for yourself. Used to name the person you want to make these decisions on your behalf. Also known as “health care power of attorney,” “medical power of attorney,” and “living will.”

Applicable Exclusion Amount: Allows individuals to give away, during their lifetime or at death, up to \$650,000 in assets without paying federal gift or estate taxes. This will increase to \$1 million by 2006. Formerly known as the “unified credit.”

Assets: Anything a person owns, including cash, bank accounts, personal property, real estate, stocks, bonds and promissory notes.

Assistive Technology: Equipment, aids and devices that assist a person to communicate, move about and perform other activities more independently. Examples include communication boards with pictures and devices that help people who can't stand up reach things in high places (“low-tech”) and computerized communication devices (“high-tech”).

Beneficiary: The person(s) named in a will, trust, life insurance policy, or other document to receive a financial benefit.

Developmental Disability (Maryland’s definition): A severe, chronic disability that:
1) is attributable to a physical or mental impairment, other than a sole diagnosis of mental illness, or a combination of mental and physical impairments; 2) is manifested before age 22; 3) is likely to continue indefinitely; 4) results in the inability to live independently without external support or continuing and regular assistance; and 5) reflects the need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are planned and coordinated for that individual.

Discretionary Trust: A trust that gives the trustee full discretion over how assets in the trust are invested and distributed.

Durable Power of Attorney: A written directive appointing someone to act on your behalf to make legal and financial decisions. Remains in effect after you are incapable of making your own decisions.

Estate: All money, property and other personal belongings a person owns at the time of death. Also includes all remaining debts.

Estate Planning: Steps individuals or couples take to direct what will happen to their money, property and other assets after their death and steps to preserve their children’s government benefits. Estate planning tools include letters of intent, wills, trusts, advance directives and durable powers of attorney. Estate planning is a part of futures planning.

Estate Tax: Tax imposed on the value of an estate upon a person’s death. No tax is paid until a person’s gifts (lifetime and at death) exceed the “applicable exclusion amount.”

Futures Planning: Individualized planning with a person with a disability, his or her family, and other people important in his or her life. It involves envisioning a desired future and identifying the people, resources and services needed to carry out the plan.

Gift Tax: Tax imposed on assets given away during a person's lifetime. No tax is paid until a person gives away more than the applicable exclusion amount.

Grantor: The person(s) who creates a trust.

Guardian: Someone named by the court to make decisions on behalf of another person who is deemed incapable of certain personal decisions. Guardianship can be broad to cover all decisions or limited to certain kinds of decisions (e.g., about property or health care). Less restrictive options should be considered before guardianship.

Inheritance Taxes: A tax assessed upon death regardless of how much is in the estate.

In-Kind Support: Support with food, clothing and shelter received from other people that SSI and Medicaid consider when determining eligibility and the amount of benefits a person receives. Gifts of food or clothing; assistance paying for food or clothing; having someone pay all or part of your rent or mortgage; or living in someone else's house without paying full rent are considered "in-kind."

Intestate: When a person dies without leaving a will. The law stipulates who inherits the estate.

Irrevocable Trust: A trust that cannot be changed or terminated once established because the assets are no longer considered the grantor's.

Joint Tenancy: A type of co-ownership in which each person has equal interest and equal rights in the property. Upon the death of an owner, his or her share automatically passes to the other owner(s).

Letter of Intent: A personal letter written to people who may become responsible for a child, or an adult with a disability, in the future. The letter shares personal and helpful information, wishes, and expectations. It helps people better know and understand your child and work to support him or her in ways you, and your child, desire.

Living Trust/Inter vivos Trust: A trust that takes effect while the grantor is alive. Created by a trust agreement.

Means-tested benefits: Public financial and health care benefits that are based on financial need so they are only available to people with disabilities who have little income and few assets. Examples include Supplemental Security Income (SSI) and Medicaid.

Minor: A child under the age of 18.

Personal Representative/Executor: The person(s) named in a will to carry out the will's instructions.

Pooled Trust: A trust created and managed by a non-profit organization with individual accounts for each beneficiary. Each individual establishes his own account and the non-profit pools the money for investment purposes.

Probate: The court-supervised process of settling an estate following a person's death and distributing the assets according to the will. Some assets are distributed automatically, without going through this process. These are "non-probate assets" and include things such as joint bank accounts, life insurance and retirement plans.

Representative Payee: A relative, friend, support service agency or other interested party appointed by the Social Security Administration to receive, and be responsible for appropriately spending, an individual's SSI or SSDI benefits on their behalf.

Retainer Fee: An advance payment that some lawyers and financial planners may require. In some cases, the retainer is held in the attorney's escrow account and applied to the client's bill after services are provided. In other cases, the retainer fee is a pre-payment.

Revocable Trust: A trust that the grantor can change or terminate at any time before he or she dies. The assets in trust are still considered the grantor's.

Supplemental Needs Trust: A trust that stipulates that the trust funds cannot be spent on anything that is covered by the beneficiary's government benefits. Trust funds are to be spent on other needs that enhance the individual's quality of life.

Surrogate Decision-Maker: An individual who makes decisions about health care for a person who has been certified by physicians to be incapable of making an informed decision.

Tenancy by Entirety: A type of co-ownership of property available only to married couples that provides for ownership to automatically pass to the surviving spouse when one spouse dies.

Tenancy in Common: A type of co-ownership of property in which, upon the death of an owner, his share passes into his estate rather than to the other owner.

Testamentary Trust: A trust created by a will that becomes effective upon the death of the grantor.

Transition Planning: Collaborative planning with students with disabilities that is designed to prepare them to leave school and transition into adult life. Formal planning begins at age 14.

Trust: A legal document that provides a way for a person or institution to manage money and property for someone else.

Trust Agreement: A written document that establishes a trust to take effect while the grantor is alive.

Trustee: The person(s) or institution named to manage a trust. With a living trust, the grantor can also serve as the trustee.

Will: A legal document that stipulates a person's wishes and instructions regarding who will receive his or her money, property and other belongings. Also used to name guardians.