OASIS · AT A GLANCE

What Grandparents and Extended Family Need to Know About Inheritance

A plain-language guide for the relatives who love your adult and want to leave them something. Why a direct gift can erase years of services, what to do instead, and the conversation that keeps the inheritance from becoming a crisis.

BY JIM PALASTY · OASIS FOR AUTISM · 8 MIN READ

0

DIRECT GIFTS

Zero. Every gift, every birthday check, every inheritance routes through the right vehicle. Direct deposits to the adult's account are the most common way benefits get destroyed.

How it works

THREE STEPS

"Where should I send it"

One question to the parents before any gift, large or small. A holiday card and a will revision both deserve the same call.

→

ABLE or SNT

Small recurring: ABLE. Large or one-time: through the trust. Both done correctly: the gift is preserved.

→

Update the will

Inheritance from a grandparent goes to the third-party SNT, never directly to the adult. The will language is one paragraph.

Do and don't

Birthday check	DON'T: deposit to adult's account. DO: send to ABLE.
Holiday gift	DON'T: cash to the adult. DO: gift card to a parent for purchases.
Will	DON'T: name the adult as beneficiary. DO: name the third-party SNT.
Life insurance	DON'T: name the adult. DO: name the SNT.
529 plan	DON'T: roll into adult's name at distribution. DO: transfer to ABLE per federal rule.
Real estate	DON'T: title to the adult. DO: hold in the trust.
Direct cash	DON'T: ever. DO: a phone call first.

WHAT IT LOOKS LIKE

“

My mother had been putting fifty dollars a month in a savings account for my sister since she was born. She thought she was saving for college. By the time my sister was twenty-two there was eight thousand dollars in her name. Nobody noticed until SSI sent the over-asset letter. We unwound it. It cost two thousand dollars in legal fees. My mother cried. She thought she had been doing the right thing for forty years.

TRACI, LIVONIA

What matters, at a glance

The "just for him" birthday check

A two-hundred-dollar birthday check deposited in the adult's checking account is one of the most common ways benefits get terminated. SSI looks at month-end balances. The check is the trigger.

ABLE accepts gifts directly

A grandparent can mail or transfer up to the annual contribution cap (currently around nineteen thousand dollars) into the ABLE account directly. No middlemen. No tax forms.

Third-party SNT for big gifts

Cars, accessibility renovations, vacations, large inheritances. The trust holds it. The trustee distributes it. Benefits stay intact. No Medicaid payback at the adult's death.

Before any gift

One phone call to the parents. Where should I send it. The answer takes thirty seconds. The gift becomes useful instead of dangerous.

Wills, beneficiary lines, life insurance

Every place a relative has the adult's name listed needs to be reviewed. Direct beneficiary on a 401(k) is a common error and an expensive one to discover late.

Sample gift conversation

"I want to give a Christmas gift this year. Tell me how to make it work for him. We can do whatever you need." That is the whole script. Use it.

BRING THESE · CHECK AS YOU GO

- [ ] ABLE account information shared with extended family
- [ ] Sample will language shared with relatives' attorneys
- [ ] Sample gift conversation script written
- [ ] Confirmation in writing once changes are made
- [ ] SNT trustee information shared
- [ ] Beneficiary designations reviewed
- [ ] Annual reminder for relatives' will updates

YOUR MOVE

When extended family asks how to help

1. Send a one-page summary by email. ABLE info, SNT info, the do/don't list.
2. Schedule a thirty-minute call with the family member. Walk through their giving plan.
3. Help them update beneficiary designations on retirement accounts and life insurance.
4. Have them update the will language. Pour-over to the SNT, never direct to the adult.
5. Thank them. Loving relatives who give the right way protect your adult for life.

Loving relatives are an asset. Direct gifts are a liability. Convert the love into the right vehicle.

RESOURCES NAMED IN THIS POST

oasisforautism.com · https://oasisforautism.com

Informational only. Not legal or medical advice. Verify current program rules before acting.

ABOUT THE AUTHOR

JP

Jim Palasty

Jim Palasty is the founder of OASIS for Autism and a single father of an adult autistic daughter in Michigan.