

Govt subsidy for trusts for special needs kids

It will pay most of the fees for setting up SNTC accounts

By JANICE TAI

WHEN she was diagnosed with end-stage renal failure seven years ago, her immediate concern was: Who is going to take care of my son?

Madam Saw, who wants to be known only by her surname, had considered the option of setting up a trust account with the Special Needs Trust Company (SNTC) for her autistic son.

With such an account, her son, now 13 years old, would receive a payout every month after she dies.

But she found the costs of setting up such an account too high. "Meeting day-to-day expenses is already a headache. I go for dialysis almost every day and my husband has quit his job to look after our son," said the 49-year-old.

When she learnt that she could get government subsidies to offset the costs involved, she immediately signed up for it.

To encourage more parents of special needs children to start financial planning for them early, the Ministry of Social and Family Development

■ FINANCIAL PLANNING FOR THOSE WITH SPECIAL NEEDS

Considerations	Funds managed by Private Trust	Funds managed by Special Needs Saving Scheme	Funds managed by SNTC Trust
How it works	Disburses money from trust account according to instructions of the parent. Open to anyone.	Disburses the funds from the parents' CPF savings to the child or his appointed guardian. Open to those with special needs.	Disburses money from trust account upon demise of parent, according to wishes of the parent set out in letter of intent. Open to those with special needs.
Minimum sum to set up	At least \$50,000	Upon parent's demise, balance in CPF account must be sufficient to support child's one year's worth of monthly payout	\$5,000
Set-up fees	At least \$3,000	Nil	\$150 after subsidy

Source: SNTC

has begun subsidising at least 90 per cent of the fees needed for setting up an SNTC trust account from March this year.

The ministry absorbs the annual operating costs of SNTC so that its fees can be kept at an affordable rate. All can qualify for the subsidies.

SNTC activates the trust account and disburses money to the child after the parent dies, as specified by the latter.

Parents have to deposit a minimum sum of \$5,000 into the trust as a start. Its funds are kept with the Public Trustee's Office, which puts the funds in low-risk financial instruments. Over the past five years, it paid an average of about 2.8 per cent interest.

Previously, parents had to pay a one-off \$1,500 set-up fee and annual fees of \$250 or \$400, depending on whether

the trust has been activated. With the subsidies, parents pay only a one-off set-up fee of \$150 and annual fees of \$40 if the trust has been activated. No annual fees are charged if it has not been activated.

The takeup-rate, however, has been low, even though it is the only non-profit trust company in Singapore set up to provide services to those with special needs.

Since it started five years ago, only some 150 accounts have been set up.

SNTC general manager Esther Tan said younger parents usually prefer to use the money to help their children in other ways, such as by enrolling them in early intervention programmes. Older parents, meanwhile, may need the money to pay for medical expenses.

But since the subsidies

kicked in, 40 more accounts have been set up.

SNTC also has a team of social workers who do home visits and draw up care plans for their clients' children. It periodically reviews the amount given to the child each month to suit the child's needs.

The SNTC complements another available scheme - Special Needs Savings Scheme - which was launched last year. It disburses the funds from the parents' CPF savings to the child or his appointed guardian. This scheme works for parents who have little in savings outside of CPF. So far, 216 people have signed up.

Madam Saw said a load has been taken off her mind now that she has set up a trust account for her son. "The future seems less uncertain now."

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