Supplementary submission to the Senate Community Affairs Committee inquiry into Special Disability Trusts (SDTs)

From Ray and Wendy Walter

Beneficiaries cannot contribute to their own Special Disability Trust
Regulations may prevent or penalize a beneficiary if they use their personal savings towards the purchase of their own home.

It is not uncommon for a disabled family member living at home for a prolonged period, to accumulate substantial savings with the hope and intention of one day owning their own home.

For someone lacking testamentary capacity, holding a property in a SDT appears to be a good option, but as the SDT regulations prevent the beneficiary from contributing their personal savings to the Trust there seems no easy way for them to utilize those savings towards their home.

It appears the only avenue open is for the beneficiary to give his/her savings to their parents who would then place the money into a SDT to go towards the purchase of a home.

However, if the dollar amount (asset) given exceeded the *Centrelink gifting rules,* the beneficiary would be deemed as still owning that asset and may have their Social Security entitlements reduced accordingly for up to five years.

To penalize someone in this way, simply because circumstances beyond their control limit the ways in which they can purchase property, once again raises the discrimination word.

No other class of pensioner is treated this way if they utilize their savings to purchase their place of residence.

- **Recommendation: A beneficiary should be allowed to contribute to their Special Disability Trust to purchase a home.**

In fact it would be reasonable to allow beneficiary contributions to be used to pay for accommodation and/or care.

Ray &Wendy Walter