



Aging in the Community with a Pooled Trust

What is a Pooled Trust?

- ▶ A type of Supplemental Needs Trust (“SNT”)
- ▶ A Pooled Trust is a tool that can be used to enhance the quality of life for individuals with disabling conditions. The trust can be used to purchase additional items and services not adequately covered by government benefits. The Pooled Trust must be used for the benefit of an individual with a disabling condition and the expenditures made on behalf of that person should supplement, not replace their government benefits.

Why would an individual need a Pooled Trust?

- ▶ Government Benefits have Income/Resources Limits
 - ▶ Medicaid Resource Limit: \$15,450
 - ▶ Medicaid Monthly Income Limit: \$859
 - ▶ Supplemental Security Income (SSI) Resource Limit: \$2,000

How does it work?

- ▶ Because all participant money is “pooled,” the amount is no longer considered a resource for purposes of Medicaid.
- ▶ The trust administrators track the beneficiary balances by subaccount within the trust.
- ▶ The trust can disburse money to third parties on behalf of the beneficiary.
- ▶ Therefore, the excess income that would have been paid to Medicaid is now being used for the benefit of the client.

What are the Eligibility Requirements?

- ▶ The individual must be disabled per Social Security standards and have Medicaid
 - ▶ Physically or mentally impaired, injured, or incapacitated. You are considered disabled under Social Security rules if:
 - ▶ You cannot do work that you did before;
 - ▶ They decide that you cannot adjust to other work because of your medical condition(s); and
 - ▶ Your disability has lasted or is expected to last for at least one year or to result in death.

Determination of disability

- ▶ If over the age of 65 a separate determination of disability is required.
- ▶ If beneficiary received SSI or SSD prior to the age of 65, most counties will not require separate proof.
- ▶ Paperwork:
 - ▶ 1 page DOH form that the primary physician must complete and a five page Disability Questionnaire that the client or family must complete
- ▶ This paperwork is to be filed through the local Medicaid office and the determination is made by DOH in Albany.

What are the benefits of a Pooled Trust?

Individuals:

- ▶ Remain at home
- ▶ Maintain quality of life
- ▶ Receive quality care
- ▶ Retain dignity
- ▶ Achieve the above without complete loss of resources
- ▶ Ability for the beneficiary to use trust funds to pay expenses to help remain in the community

What money would an individual deposit into the trust?

- ▶ **Income/Medicaid Spenddown (Any money over the \$859 limit, Medicaid will determine this amount)**
- ▶ Direct inheritance
- ▶ Inheritance via Will directed into Pooled Trust (3rd Party)
- ▶ Gifts (3rd Party)- Parents often use third party trusts to provide for the future care of their child with a disability.
- ▶ Retroactive Social Security Award
- ▶ Personal Injury Settlement/Structured Settlement
- ▶ Resources

What is a Spenddown?

- ▶ Medicaid's Monthly income limit is \$859
- ▶ Example: Client's monthly income is \$1,400

$$\begin{array}{r} \$1,400 \\ - \$859 \\ \hline \$541 \text{ spenddown or excess income} \end{array}$$

- ▶ The exact spenddown amount will come from Medicaid.

Eligible Disbursements for non SSI recipients (Medicaid Only)

Generally pay living expenses:

- ▶ Rent
- ▶ Mortgage
- ▶ Condo Maintenance
- ▶ Home/Renters insurance
- ▶ Repairs/Maintenance
- ▶ Property taxes
- ▶ Utilities
- ▶ Furniture
- ▶ Pre-need funeral arrangements
- ▶ Groceries for beneficiary
- ▶ Car Payments/Insurance
- ▶ Adult diapers/OTC items
- ▶ Other personal needs
- ▶ Purchases appropriate for beneficiary
- ▶ Transportation/Vehicle expenses (owned by beneficiary)

Eligible Disbursements for SSI recipients

- ▶ Vacation
- ▶ Furniture
- ▶ Adaptive Equipment
- ▶ Transportation
- ▶ Computer
- ▶ Gym Membership
- ▶ Education (of beneficiary)
- ▶ Car Payments/Insurance
- ▶ Sporting Goods
- ▶ Pre-need funeral arrangements
- ▶ Non-food/shelter expenses:
 - Telephone/cell phone
 - Cable
 - Internet

Selecting a Pooled Trust

- ▶ Look for an organization experienced in the administration of supplemental needs trusts.
- ▶ Make sure good records are maintained and appropriate substantiation for disbursements is required.
 - When a trustee makes distributions without proper detailed documentation, your client's benefits are at risk.
- ▶ Reputation.
- ▶ Fees are clearly defined (no hidden expenses).
- ▶ Cheapest does not mean best. Protect your clients, use a reputable trust.