WHY SHOULD I BE INTERESTED IN A POOLED TRUST?

Excess funds can cause a loved one with a disability or the elderly to face the serious problem of a partial or total loss of important government benefits.

Most individuals drawing Social Security Disability benefits or Medicaid can look forward to continuing to draw benefits so long as they do not accumulate cash or other assets totaling more than $2,000. (Usually, a house, car or burial plot does not count against the limit.)

At times people needing government benefits acquire cash or assets which make them exceed the $2,000 limit. They might receive money from insurance proceeds, social security back pay, a legal settlement, inheritance, gifts, or other sources.

Any amount which results in the individual having assets over $2,000 can be “excess funds.” But if these excess funds are put into a pooled trust, then the funds can be used for “supplemental needs” without jeopardizing government benefits.

Supplemental needs are products and services not provided through public assistance. Examples include furniture, home modifications, a cell phone, cable TV, educational programs, travel, a computer, vacations and hobbies. Food, shelter and basic medical care are not considered supplemental needs. Those needs must be covered by the government subsidy.

A program created under Federal Law* which authorizes an important tool to preserve benefits for our family members, friends and neighbors with disabilities or the elderly.

*42 U.S.C. §1396p (d)(4)(c)

WHAT IS A POOLED TRUST?

Pooled trust programs allow qualified persons* to set up relatively inexpensive and effective trust accounts.

Federal Law allows these trust accounts to provide supplemental funds for persons with disabilities or the elderly (beneficiary) while protecting him or her from losing their important government benefits.

Each person sets up a sub-account with a trust program called a “Pooled Trust.” The program then “pools” these funds to manage and invest them as one account.

Importantly, each person’s sub-account earns interest from the investments. The earnings are allocated and credited to that person’s individual sub-account. Expenses are minimized because they are spread over the entire trust pool.

The amount credited to the beneficiary is based on the amount of funds held for that person’s benefit in proportion to the total amount of the pooled funds. The beneficiary receives a password to look at his or her account on-line to review any credits or disbursements.

*A qualified person can be the family or other legal caregiver or even the individual beneficiary of the trust.
WHO IS ELIGIBLE?
Any person with a disability, or individual over age 65 who has or might receive funds that could jeopardize his or her eligibility for government benefits.

HOW MUCH MONEY DOES IT TAKE TO OPEN A POOLED TRUST?
It requires approximately $750 to create all documents needed to establish a trust account.

WHO CAN FUND ONE?
Parents, Grandparents, Guardians, Courts, or the Individual Beneficiary.

WHAT TYPES OF INCOME CAN FUND A POOLED TRUST?
Social Security back pay
Insurance proceeds
Legal settlement
Inheritance - Gifts

IS THE TRUST A PERSONAL, PRIVATE ACCOUNT?
Yes, all funds deposited in the trust are for the exclusive benefit of the named beneficiary.

WHEN CAN YOU CREATE A TRUST?
A trust can be created at any time. It can even be created now and funded later.

FOR MORE INFORMATION CALL:
(904) 358-1200