

# Pooled Trust

## Plan for Your Future through Special Needs Trusts

*Achieva Family Trust helps beneficiaries and their families plan for their future and enhance their lives through three types of special needs trusts: Pooled Trust, Payback Trust and Third Party Trust. A special needs trust offers a way to protect the assets of a person with a disability as well as their eligibility for Medicaid (MA), Waiver Services and Supplemental Security Income (SSI).*

### IS A POOLED TRUST FOR ME?

- ✓ I am (or am caring for) an individual with a disability who has too many assets to remain eligible for government benefits.
- ✓ I wish to provide for myself or my loved one while still preserving eligibility for essential, lifelong supports and services.
- ✓ I find that I (or my loved one) must “spend down” assets for unnecessary items just to preserve eligibility for essential supports and services.

**The beneficiary, their parent, grandparent, legal guardian or the court can establish this trust.**

### WHAT IS A POOLED TRUST?

**Social Security** legislation created the concept of a “Pooled Trust” in 1993. See 42 U.S.C. §1396p(d)(4)(C).

**An individual with a disability can create an account in a Pooled Trust** to protect his or her eligibility for Medicaid, Waiver Services and Supplemental Security Income.

The individual can **save funds rather than “spend down” for unnecessary items** just to preserve eligibility for essential supports and services.

The assets in the Pooled Trust are **used for the sole benefit of the individual with a disability** to improve his or her quality of life.

The assets of all the beneficiaries in a Pooled Trust are combined (or “pooled”) for investment purposes so the **trustee can have greater investment options**. The trustee still separately accounts for each individual’s interest in the Pooled Trust.

**The individual with a disability, their parent, grandparent, or guardian, as well as the court, can create an account in a Pooled Trust** to benefit the individual with a disability.

If all funds in the Pooled Trust account have not been spent by the time the individual with a disability passes away, **all remaining money becomes part of our Charitable Residual Account** to benefit individuals with disabilities.

Achieva Family Trust operates the **largest Pooled Trust in Pennsylvania** and serves beneficiaries in several other states.

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## ADVANTAGES OF A POOLED TRUST

Achieva Family Trust adds **valuable social service expertise** to the traditional role of corporate trustee.

The Pooled Trust **can be established by the individual with a disability.**

Trust accounts can be **established and opened quickly.**

**An individual with a disability can add his or her assets to the trust** and avoid unnecessary spend down.

Beneficiary funds are **pooled for investment purposes**, but accounted for separately.

There is **no need for a successor trustee.**

Our Pooled Trust offers **no start-up costs or opening account fees** due to use of standard documents.

## REQUIREMENTS OF A POOLED TRUST

May be **established by an individual with a disability, by their parent, grandparent, legal guardian, or by the court.**

Trust is **established and maintained by a nonprofit association.**

**Trustee must have absolute discretion over distributions**, so the beneficiary cannot have a legal right to force a distribution from the trust.

## OUR TRUSTS OFFER:

- **Personalized Service:** All of our caring, knowledgeable trust administrators have extensive experience with social services and government benefits.
- **Low Fees:** As a nonprofit organization, we offer some of the lowest fees. Trusts can be established with a deposit as low as \$500. There are also no start-up fees or fees to close an account.
- **Professional Investment Management:** We use highly regarded investment managers for trust funds.



Get a no-cost consultation today.

# Payback Trust

## Plan for Your Future through Special Needs Trusts

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### IS A PAYBACK TRUST FOR ME?

- ✓ I am (or am caring for) an individual with a disability who received a financial settlement that would affect eligibility to receive essential government benefits.
- ✓ I am (or am caring for) an individual with a disability who is receiving an inheritance that would affect eligibility to receive essential government benefits.
- ✓ I wish to preserve eligibility for essential lifelong supports and services.

**Any beneficiary under age 65, their parent, grandparent, legal guardian or the court can establish this trust.**

### WHAT IS A PAYBACK TRUST?

**Social Security** legislation created the concept of a "Payback Trust." See 42 U.S.C. §1396p(d)(4)(A).

**The individual with a disability, their parent, grandparent or legal guardian, or a court can create a Payback Trust** to protect the individual's eligibility for Medicaid, Waiver Services and Supplemental Security Income.

Once the Payback Trust is established, **the individual with a disability can add his or her assets to the Payback Trust.** In this way, the individual can **save funds while preserving eligibility** for essential supports and services.

The assets in the Payback Trust are **used for the sole benefit of the individual with a disability** - to improve his or her quality of life.

Any money remaining in the trust after the individual with a disability passes away must be used to **"pay back" the state(s) for the cost of providing Medicaid services to the individual.** If any money remains after the "pay back," the trust agreement will direct the trustee how to distribute those funds. These funds can be left to other family members, friends, or charitable organizations.

Achieva Family Trust serves as **trustee or co-trustee** for Payback Trusts.

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## ADVANTAGES OF A PAYBACK TRUST

Achieva Family Trust adds **valuable social service expertise** to the traditional role of corporate trustee.

**An individual with a disability can add his or her assets to the trust** and avoid unnecessary spend down.

Any funds remaining must be used to “pay back” the state(s) for all Medicaid benefits. Following this payback, **remaining funds are distributed to other individuals and/or organizations** according to the trust document.

## REQUIREMENTS OF A PAYBACK TRUST

May be **established by the individual with a disability, their parent, grandparent, or legal guardian, or by the court.**

The **beneficiary must be under 65 years of age** when the trust is established.

The **trust agreement provides for a “pay back” to the state(s)** for all Medicaid benefits upon the passing of the individual with a disability.

The Trust must be **drafted by a knowledgeable attorney.**

**Trustee must have absolute discretion over distributions**, so the beneficiary cannot have a legal right to force a distribution from the trust.

## OUR TRUSTS OFFER:

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- **Low Fees:** As a nonprofit organization, we offer some of the lowest fees. Trusts can be established with a deposit as low as \$500. There are also no start-up fees or fees to close an account.
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# Third Party Trust

## Plan for Your Future through Special Needs Trusts

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### IS A THIRD PARTY TRUST FOR ME?

- ✓ I am a family member or friend of an individual with a disability, and I am concerned about their future.
- ✓ I wish to provide for my loved one while still preserving the individual's eligibility for essential, lifelong supports and services.
- ✓ I want a future plan for my loved one that provides peace of mind.

**Anyone can fund this trust during their lifetime and/or through their estate plans for a beneficiary of any age.**

### WHAT IS A THIRD PARTY TRUST?

The **Pennsylvania Supreme Court**, through a number of decisions, recognized that family and friends of an individual with a disability can create trusts to benefit the person with a disability.

With a Third Party Trust, **family and friends can provide for their loved one while still preserving the individual's eligibility for essential, lifelong supports and services** such as Medicaid, Waiver Services and Supplemental Security Income.

Achieva Family Trust serves as **trustee or a co-trustee** for Third Party Trusts.

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## ADVANTAGES OF A THIRD PARTY TRUST

Achieva Family Trust adds **valuable social service expertise** to the traditional role of corporate trustee.

**Family and friends can fund the Third Party Trust** during their lifetimes and/or through their estate plans.

The Third Party Trust can be very **flexible and can benefit additional family members or friends.**

Following the passing of the beneficiary, **any remaining money is distributed according to the terms of the trust agreement** to other family members, friends, or charitable organizations.

There are **no age limits** for beneficiaries.

## REQUIREMENTS OF A THIRD PARTY TRUST

**Trustee must have absolute discretion over distributions**, so the beneficiary cannot have a legal right to force a distribution from the trust.

The person creating the trust must clearly express his or her intention **to supplement, not supplant**, government supports and services.

The person creating and funding the trust must be someone **other than the person with a disability**. The **individual with a disability cannot create or fund** a Third Party Trust.

The Trust must be **drafted by a knowledgeable attorney.**

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