

Pooled Trusts A Brief Outline

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What is a Pooled Trust?

- Created under 42USC1396p(d)4(a) and 4(c)
- Assets are managed by a not-for-profit corporation
- Designed to shelter assets
- Designed to allow beneficiary to qualify for disability benefits (Medicaid & SSI)

Pooled Trusts are SNTs

- SNT = Special Needs Trusts
- Can be with beneficiary's money (typical for P.I. cases [d4(a)])
- Can also be funded with other people's money (typical for families with special needs children) [d4(c)]

What can assets be used for?

- **Assets are available to the beneficiary for use to enhance beneficiary's life**
- **Can be used to pay for anything that disability benefits will not pay for**
- **Examples include recreation, education, trips, clothing, private room at nursing facility**

Limitations

- Cannot use for expenses paid for by government
- Disbursements cannot be controlled by beneficiary
- Payback provisions apply before any bequest can be made after death of beneficiary (if beneficiary's own money is used in pooled trust)
- Charitable remainder is an alternative

Advantages of Pooled Trust vs. SNT

- **Professional Trustee**
- **Fiduciary Standard**
- **Proper money management**
- **Adherence to government regulations**
- **Independent agency to supervise benefits and look after beneficiary**
- **Possible access to additional money in pooled trust (if any available) when assets of beneficiary are exhausted**

Protections

- **No one individual has control of assets**
- **Trustee never becomes ill or dies**
- **Less stress within family unit over what to pay for**
- **No fighting for control of money between family members**
- **No fear of family member having access to beneficiary's money**

Additional Protections



- **Protection from Predators**
- **No Protection from Creditors**
- **Professional Management**
- **Administration in Compliance with Statutory Rules and Regulations**

Conclusions

- **Assets are sheltered**
- **Immediate qualification for government disability benefits is possible**
- **Professional Management of Assets**
- **Compliance with Government Regulations**
- **Potential access to additional benefits if beneficiary's assets are exhausted**
- **Possible bequest after beneficiary's death**