

The Arc Minnesota Master Pooled Trust

Financial management and estate planning for people with disabilities To preserve financial assets and protect program eligibility

Trusts are legal agreements in which one party (the Trustee) holds and manages money for another (the beneficiary). **The Arc Minnesota Master Pooled Trust** is specifically designed to hold funds for a beneficiary with a disability, so that the beneficiary can use this money to supplement their quality of life without jeopardizing their eligibility for the needs-based program benefits they may receive (e.g. Medical Assistance, SSI, MA-EPD, Food Stamps, etc.). Funds can be placed in a trust for the beneficiary at the time it is created, or the trust can begin as “unfunded,” in anticipation of a future distribution such as an estate settlement.

A 1st Party Master Pooled Trust allows a person with a disability to deposit and use their own funds (such as wages, back Social Security payments, or a court settlement) in a trust, without having to spend these funds back down to the “poverty level” to continue their program benefits. A person who funds their own services and benefits (private pay) can also create a 1st party trust to help preserve their existing assets while becoming eligible for public programs.

A 3rd Party Master Pooled Trust can be created to receive assets that did not originally belong to the beneficiary. Often parents of a child with a disability will fund a 3rd party trust in order to supplement their child’s quality of life with items and services not provided by public programs. This trust can also serve as an effective estate planning tool in the future by receiving gifts, life insurance proceeds, or an inheritance without jeopardizing public benefits to the beneficiary.

Why a Master Pooled Trust? The Benefits of a Master Pooled Trust to the Beneficiary and the Estate:

- **Protection** of both assets and means-tested program eligibility,
- **Freedom** from the responsibility of financial management, investment decisions, administration, distributions, government reporting and tax information. (The Arc manages these responsibilities as your Trustee.),
- **Accessibility of funds** for the beneficiary,
- **Inclusion** of friends and family whom you wish to involve in the decision-making process,
- **Financial & Estate Planning** today, for inheritances and insurance payments in the future.

Why The Arc Minnesota? The benefits of using The Arc Minnesota as your Trustee:

- **Dependability.** The Arc is known and trusted for its 60-year history of helping people with disabilities.
- **Experience.** The Arc knows the relevant laws and programs, and the needs of persons with disabilities.
- **Management Skills.** The Arc understands the rules and reporting requirements for Master Pooled Trusts.
- **Reliability.** The Arc is insured, and our investments are managed by the Associated Bank Trust Co.
- **Affordability.** The Arc’s Master Trust is more affordable, with lower fees and lower minimum deposits than most other trust alternatives.

Can I use a private special needs trust (SNT) created by an attorney? That can be effective for larger deposits where more investment control is desired, or for assets not easily converted to cash, however:

- SNTs are costly to establish- often two or three times as much as a Master Pooled Trust.
- SNTs require that you appoint a knowledgeable trustee to manage and administer the trust. This can be especially burdensome when distributions to the beneficiary begin. The trustee is responsible for compliance with rules pertaining to trust management, distributions, reporting and taxes. Who will serve that purpose throughout the life of the trust? The Arc has served the needs of people with disabilities for over half a century!

When should I contact the Trust Department of The Arc Minnesota?

1. When you or a loved one with a disability has received funds, and you are concerned about protecting those assets and current eligibility for your loved one’s benefits,
2. When you anticipate the receipt of funds in the future, and would like to plan today to safeguard the assets and eligibility for public programs, or
3. When you begin estate planning for someone with a disability in order to supplement future lifestyle and protect their current benefits.

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INFORMATION NEEDED AT THE TIME A TRUST IS ESTABLISHED

- Grantor &/or Beneficiary :
Name, Address, Birth Date, Phone, Social Security #, Email address, City of birth
Copies of picture IDs for both parties if 3d party trust, or just beneficiary/guardian if 1st party trust.
Name, Address, SS # and signature recorded on W-9 tax reporting form

- Identification of any legal representation for a beneficiary- Guardian, Conservator, Representative Payee, or Power of Attorney:
Name, Address, Phone, Email, &
A copy of Authorization papers

- Identification of at least one person who may act on behalf of beneficiary when necessary:
Name, Address & phone

- State & Federal prog. benefits currently received by beneficiary (eg SSI, MA, RSDI, GRH, MSA, Waiver, etc.):
Monthly amount of cash distribution, if any

- Medical Assistance Card #

- County Case Worker: Name, Address & Phone

- County Financial Worker: Name, Address, Phone

- Other sources of income beyond programs listed above (e.g. employer):

- If private insurance is in force, we need: Insurer, Address, and policy No.

- Two checks to establish trust, & identify source of funds being placed into trust
1) Enrollment Fee (to: The Arc Minnesota); 2) Trust balance (to: Associated Trust Company)
Note: Where it is difficult to create 2 checks, we can use 1 check to fund both obligations.

- Remainder Beneficiaries (individuals who receive remaining funds on the death of the trust beneficiary):
Name, Address, Phone & SS#
Note: One or more Remainder Beneficiaries may be identified for either a 1st or 3rd party trust.
However, MA must be repaid for all benefits provided to a 1st party trust beneficiary before any remaining funds are distributed to the remainder beneficiaries of a 1st party trust. Arc Minnesota may also be identified as a beneficiary of either trust.