

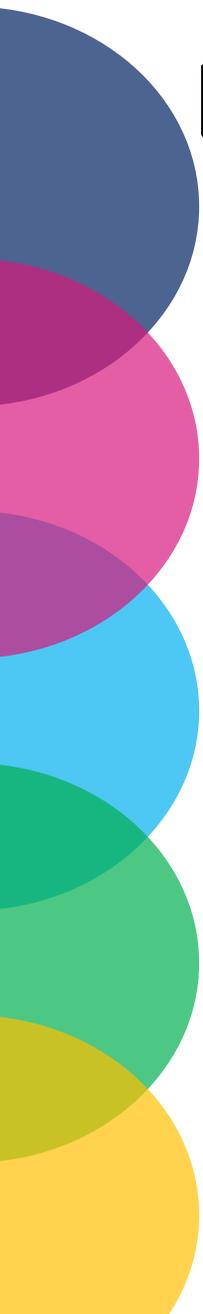
# Benefits of a Pooled Trust

How to help your clients retain their financial independence



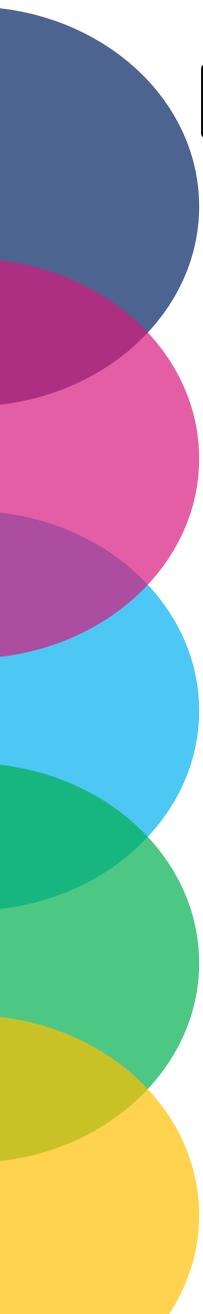
**LIFE is one of the social services agencies that provides pooled trust services to people across New York State**

## List of NY Pooled Trusts



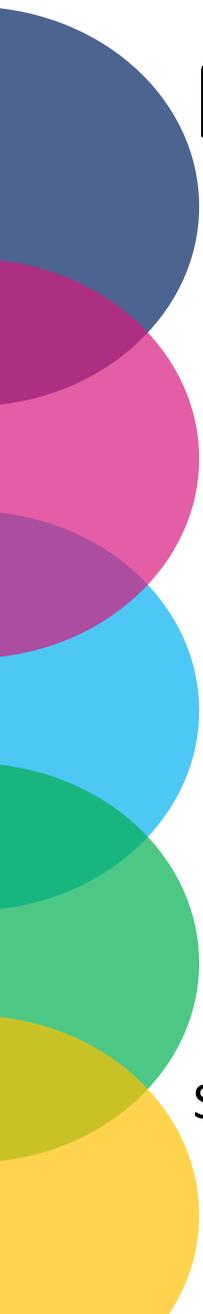
# LIFE Trusts, Introduction

- Est. in 2012
- We administer both income and asset trusts
- Who qualifies? All residents of NYS who are eligible to receive Community-based Medicaid home care services and who have surplus income and/or assets



# Brief Intro to Medicaid

- Institutional Medicaid provides services to patients in nursing homes for long-term stays
- Community Medicaid provides services to patients who live at home, or in assisted living facilities.
  - Home health aides
  - Many other areas of coverage



# Medicaid Eligibility

- Medically eligible
- Financially eligible
  - Income
    - Consistent monthly income from all sources
    - For 2022, the income limit is \$934 for an individual
    - (Plus the first \$20 of income is disregarded)
  - Assets
    - For 2022, the resource allowance is \$16,800

Source: NYS released 2021 levels in [GIS 21 MA/25](#), effective Jan. 1, 2022

# Pooled Trust in Practice

Example:

John, an 80-year-old widower, receives \$1300 every month from Social Security and a pension of \$700 a month. He also pays \$170.10 monthly for his Medicare part B premium.

Social Security \$1,300

+

Pension \$700

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Total Monthly Income \$2,000

John's total monthly income is \$2,000.

# Pooled Trust in Practice, cont.

Medicaid classifies a payment for a Medicare premium as a deduction, so let's calculate:

John's monthly income \$2,000

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Medicare monthly premium \$170.10

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= \$1,829.90

# Pooled Trust in Practice, cont.

From the remaining \$1,829.90 we subtract the Medicaid allowance, what the patient is permitted to keep.

Income after deduction \$1829.90

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Medicaid allowance \$954

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= \$875.90 to be deposited monthly into a pooled trust

Abiding by the Medicaid guidelines, John is allowed to keep \$954 (\$20 disregard + \$934 allowance), and therefore must deposit \$875.90 into the pooled trust account.

# Pooled Trust in Practice, cont.

John has 3 bills he would like to pay through the trust:

- Rent - \$500
- Cable - \$100
- Credit card - \$200

John is going to request that the trust pay \$800 of bills from the funds that he has deposited.

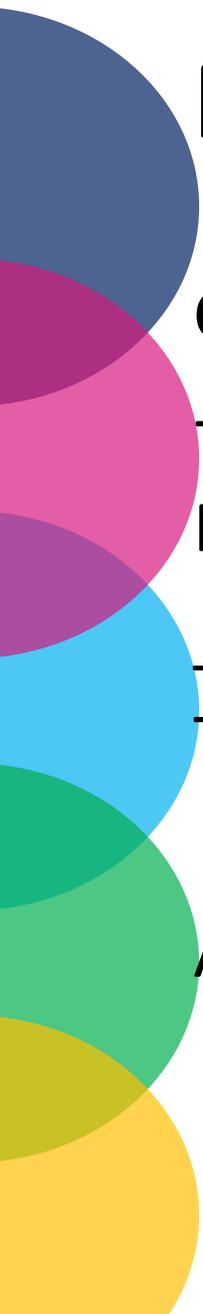
John's deposit \$875.90

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John's bill payments \$800

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\$75.90 remaining in the trust at the end of the month



# Pooled Trust in Practice, cont.

Currently in John's trust \$75.90

+

Next month's surplus \$875.90

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Total available to John \$951.80

And so on...

# Allowable Expenses

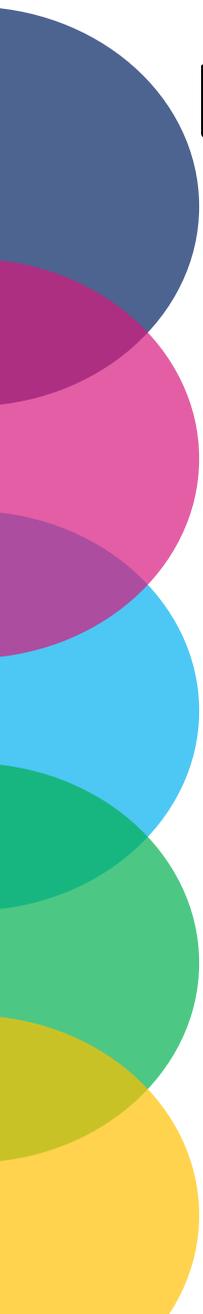
- The guiding principle is whether the expense is for the “sole benefit” of the client.
- Some common types of payments: Rent, maintenance, mortgage, utilities, credit card bills
- Pooled trusts can also pay: property taxes, expenses related to a property held in trust, funeral arrangements (while the client is alive), additional hours of home care, modifications to a client’s primary residence, reimbursements to a third party, payments made pursuant to a caregiver agreement...
- “Luxuries” may be allowable: Vacations, restaurants, clothing, home furnishings, salon services, etc.

# Non-allowable Expenses

- Health insurance premiums
- Life insurance premiums
- Gifts
- Charity
- Vices (alcohol, tobacco products, firearms, gambling)
- Expenses not for the “sole benefit” of the client

# Misc. Important Trust Policies

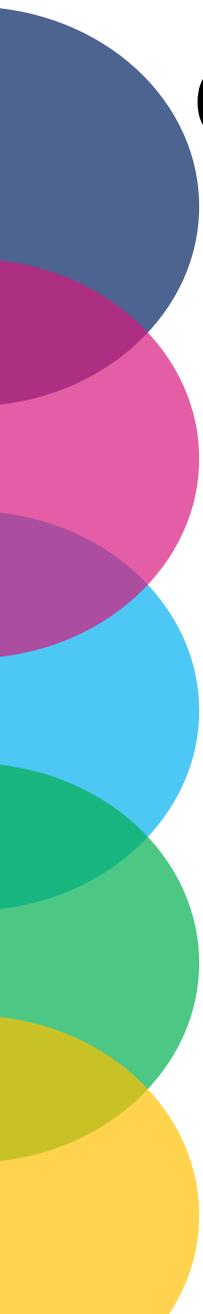
- No payments made after the death of the beneficiary
  - POMS SI 01120.203 E.2
  - Funds are used to support LIFE programming
- Trusts can be established by the beneficiary, parent, grandparent, agent under POA or legal guardian
- Pooled trusts are first party trusts
- The pooled trust may not reimburse a client or a client's spouse for payments made. The trust may reimburse third parties, in some circumstances.
- There is no minimum or maximum amount that must be deposited into a pooled trust



# LIFE Trusts, Contact Us

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[Click here to sign up for a one-on-one consultation with Brian Lawrence](#)



# Conclusion

Any questions?