




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 2023, the income limit is \$1,677 for an individual
 - (Plus the first \$20 of income is disregarded)
 - Assets
 - For 2023, the resource allowance is \$30,182

Source: NYS released 2023 levels in [GIS 21 MA/25](#), effective Jan. 1, 2023



Pooled Trust in Practice

Example:

John, an 80-year-old widower, receives \$2,164.90 every month from Social Security and a pension of \$797 a month. He also pays \$164.90 monthly for his Medicare part B premium.

Social Security \$2,164.90

+

Pension \$797

Total Monthly Income \$2,961.90

Pooled Trust in Practice, cont.

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

John's monthly income \$2,961.90

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Medicare monthly premium \$164.90

= \$2,797

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 \$2,797

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Medicaid allowance \$1697

= \$1,100 to be deposited monthly into a pooled trust

Abiding by the Medicaid guidelines, John is allowed to keep \$1697 (\$20 disregard + \$1,677 allowance), and therefore must deposit \$1,100 into the pooled trust account.

Pooled Trust in Practice, cont.

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

- Rent - \$625
- Cable - \$150
- Credit card - \$250
- Trust fee (monthly) - \$75

John is going to request that the trust pay \$1,025 of bills from the funds that he has deposited.

John's deposit \$1,100

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John's bill payments \$1,025

\$75 monthly fee to the trust organization brings balance to zero

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

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.

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



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Conclusion

Any questions?