Benefits of a Pooled Trust

How to help your clients retain their financial independence

LIFE Trusts

LIFE is a social services agency that provides an array of services to underserved populations across New York State

- Labor & Industry for Education, Inc. (LIFE)
    - 501(C)(3) not-for-profit
    - UPK
    - HOPP – Homeowners Protection Program
    - LIFE 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

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LIFE Trusts, 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

LIFE Trusts, Medicaid Eligibility

- Medically eligible
- Financially eligible
  - Income
    - Consistent monthly income from all sources
    - For 2026, the income limit is $1,835 for an individual
    - (Plus the first $20 of income is disregarded)
  - Assets
    - For 2026, the resource allowance is $32,532

Source: NYS released 2025 levels in GIS 21 MA/25, effective Jan. 1, 2025

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LIFE Trusts, Pooled Trust in Practice

Example:

John, an 80-year-old widower, receives $1900 every month from Social Security and a pension of $800 a month. He also pays $202.90 monthly for his Medicare part B premium.

Social Security $1,900

+

Pension $800

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Total Monthly Income $2,700

John's total monthly income is $2,700.

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LIFE Trusts, Pooled Trust in Practice, cont.

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

John's monthly income $2,700

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Medicare monthly premium $202.90

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= $2,497.10

LIFE Trusts, Pooled Trust in Practice, cont.

From the remaining $2,497.10 we subtract the Medicaid allowance, what the patient is permitted to keep.

Income after deduction $2,497.10

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Medicaid allowance $1,835

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= $662.10 to be deposited monthly into a pooled trust

Abiding by the Medicaid guidelines, John is allowed to keep $1,835.00 and therefore must deposit $662.10 into the pooled trust account.

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LIFE Trusts, Pooled Trust in Practice, cont.

John wants us to pay his rent thru the trust and have the remainder of the funds loaded onto the LVC each month.

- Rent - $462.10
- LIFE Visa Card - $150.00
- Trust Monthly fee - $50.00

After the 3 charges there is no money left in the trust, but John does have his LVC and can use that in his community on allowable expences.

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LIFE Trusts, 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.

LIFE Trusts, 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

LIFE Trusts, 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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LIFE Trusts, Highlights

- Attorneys and CPAs on staff
- LIFE will establish all new trusts within 2 business days
- LIFE does not require a security deposit or escrow funds to be kept in the trust account.
- LIFE has an online portal where clients can access their account information at any time. Referring agencies or firms can access the portal and generate VODs for their clients.
- All requests for distributions are processed within 3 business of request.
- In-house fiscal department
- Quick and easy ACH options for monthly deposits and for payments to vendors
- Simple set-up for recurring payments
- No monthly fee until the client begins monthly funding
- Welcome call to onboard every new client
- Free assistance with completing the pooled trust application

LIFE Trusts

LIFE Trusts, Contact Us

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“PUT YOUR TRUST IN LIFE”

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LIFE Trust, Conclusion

Any questions?