



*Protect benefits.*

*Preserve eligibility.*

*Promote quality of life.*

**YOUR GUIDE TO NYSARC TRUST SERVICES**

*“With a NYSARC trust we know she will always be cared for.”*



# SUPPLEMENTAL NEEDS TRUSTS (SNT): Protect Benefits and Improve Quality of Life

## WHAT IS A SUPPLEMENTAL NEEDS TRUST (SNT)?

A supplemental needs trust (SNT) is a special type of trust created to help enhance the lives of people with disabilities. A SNT is designed to manage funds for the benefit of a person with a disability without jeopardizing their eligibility for means-tested government benefits, such as Medicaid and Supplemental Security Income (SSI).

### **A supplemental needs trust (SNT) establishes a relationship between three parties:**

1. Donor/Grantor - who funds the trust
2. Beneficiary - who the trust benefits
3. Trustee - who administers the trust and manages the funds

## WHY CREATE A TRUST?

A SNT offers both immediate and long-term support for a person with a disability by helping someone qualify and maintain their eligibility for benefits while the funds in the trust can pay for items and services that their benefits do not provide.

## WHO CAN FUND A TRUST?

A SNT can either be funded by the Beneficiary, as a first party trust, or by someone other than the Beneficiary, as a third party trust, such as a parent, sibling, or grandparent.

**A first party SNT** can help a person qualify or maintain eligibility for government benefits when they have resources (assets) or monthly income that exceed the limits for eligibility.

**A third party SNT** is created by someone to set aside funds for a person with a disability who either receives benefits or may receive benefits later in life. The Donor/Grantor can choose to fund the trust during their lifetime or as part of an estate plan or Will.

*A supplemental needs trust can pay for life-enhancing items and services that benefits do not*



# ABOUT NYSARC TRUST SERVICES:

## Trust Administration Since 1972

### WHO ARE WE?

The Arc New York is a family-based non-profit organization that has provided services and advocacy to people with intellectual and developmental disabilities since 1949.

The Arc New York established NYSARC Trust Services in 1972 and has since expanded its mission by administering SNTs for people of all ages with any type of disability as defined by Social Security law.

NYSARC Trust Services is New York's most experienced administrator of SNTs and the original provider of income spend-down trusts. NYSARC's trust programs have helped thousands of people protect benefits and improve their quality of life.



### WHAT DO WE DO?

NYSARC administers SNTs to help people with disabilities protect and preserve government benefit eligibility. Our trust programs help people achieve greater comfort and independence while providing peace of mind to their family and loved ones.

NYSARC administers first and third party supplemental needs trusts, pooled trusts for income and resource (asset) protection, and Medicare Set-Aside (MSA) accounts.

As trustee, our role is to protect benefit eligibility by making responsible and meaningful distributions from the trust that enhance each beneficiary's quality of life.

# TRUST PROGRAMS: 1st & 3rd Party Supplemental Needs Trusts (SNT)

## THE NYSARC COMMITMENT



### PROTECT BENEFITS:

NYSARC's trust programs protect benefits to support the daily living needs of people with disabilities and disabling chronic conditions.



### PRESERVE ELIGIBILITY:

NYSARC understands benefit rules and the needs of people with disabilities to preserve a person's continued eligibility for benefits.



### PROMOTE QUALITY OF LIFE:

We pride ourselves on our personal commitment to professional service. Responsive and caring staff take a hands-on approach to help each beneficiary maximize the funds in a trust account to enhance their quality of life.

## NYSARC's Trust Programs:

- ▶ Unrestricted Fund - 3rd Party SNT
- ▶ Pooled Trusts - 1st Party SNTs
  - CT I - Excess Resources (Assets)
  - CT II - Medicaid Income Spend-Down
  - CT III - \$250K+ Asset Protection
- ▶ Medicare Set-Aside (MSA) Accounts
- ▶ SNT Administration

**Do you know which trust is best for you?**

Call (518) 439-8323 and we will gladly assist you in determining the right trust to meet your individual needs.

---

**NYSARC trust programs have enhanced the lives of more than**

**20,000**

**people with disabilities**

---

# NYSARC TRUST PROGRAM: Unrestricted Fund - 3rd Party & Exempt Fund

## NYSARC Trust (Unrestricted Fund)

Medicaid, SSI, and other means-tested government benefits cover many of the basics of daily life. But what about all of the other things that could improve quality of life? The purchases that make life easier, and more pleasant.

The Unrestricted Fund administers third party SNTs funded by someone who would like to set aside money for a loved one with an intellectual or developmental disability (I/DD) without interfering with his or her benefits.

With NYSARC's support, you can rest assured that the package of benefits you have worked so hard to put together is secure and the trust will provide extra care and comfort for your loved one.

Once the trust is funded, NYSARC will provide an assigned account manager dedicated to getting to know your loved one and understanding their individual needs. It's the kind of service you won't find at a bank!

**For more information, call (518) 439-8323.**

## NYSARC TRUST FACTS:

**DONOR/GRANTOR:** Parent, grandparent, sibling, friend, or loved one of a person with I/DD

**MINIMUM TO FUND:** \$25,000

**ADMIN FEES:** No administrative fees

**REMAINDER FUNDS:** First \$25,000 is transferred to the Exempt Fund. Any remaining balance is distributed as directed by the Donor/Grantor.

## Exempt Fund

The Exempt Fund is a 501(c)(3) tax-exempt fund which accepts donations and bequests to support NYSARC's unfunded Corporate Guardianship program. The program currently provides guardianship services to more than 700 people with developmental disabilities across New York State who would otherwise have no legal guardian.

***"Your organization is a magnificent group of people dedicated to providing the elderly and disabled with a life of dignity."***



# POOLED TRUST PROGRAMS: NYSARC Community (Pooled) Trusts - 1st Party

## NYSARC COMMUNITY TRUSTS

NYSARC Community (Pooled) Trust documents are already drafted and approved by the Social Security Administration (SSA). This makes it easy and inexpensive to open a trust quickly!

NYSARC's pooled trust programs can benefit people who need to fund a trust with:

- ▶ Excess or surplus monthly income/ Medicaid Income Spend-down
- ▶ Excess resources (assets) as a lump sum or structured payments

A qualifying pooled SNT must meet specific criteria as defined by the SSA program operations manual system (POMS).

**Which trust is right for you?**  
**Call (518) 439-8323 and we**  
**will gladly assist you!**

## COMPONENTS OF A POOLED SUPPLEMENTAL NEEDS TRUST:

1. All disbursements of trust funds must be for the sole benefit of the beneficiary;
2. The trust must be created and administered by a not-for-profit organization, such as NYSARC;
3. An account may be established by the individual, a parent, grandparent, legal guardian, power of attorney, or a court;
4. Separate accounts are maintained for each beneficiary, but assets are pooled for investing and management purposes;
5. Pursuant to Federal law, all trust accounts close upon the death of the beneficiary; and
6. Any funds that remain in the account upon the death of the beneficiary must be retained by the trust or paid to the State(s) that provided services up to the amount of any Medicaid lien.



*Funds retained by the trust are used to benefit people with disabilities served by The Arc New York Chapters*

# COMMUNITY TRUSTS I & II: Protect Excess Resources (Assets) & Monthly Income

## Community Trust I

### Funded with Resources (Assets)

This trust is best suited for people who receive government benefits, such as SSI and/or Medicaid, and need to protect excess resources (assets) or an unexpected sum of money, such as proceeds from:

- ▶ A direct inheritance
- ▶ Lump sum or structured settlement
- ▶ Retroactive Social Security award
- ▶ Other resources (assets)

### HOW IT WORKS: Community Trust I

Natalie has cerebral palsy and received a \$20,000 inheritance from a displaced relative who did not know Natalie would lose her benefits because of it.

*By depositing this money into Community Trust I, Natalie can maintain eligibility for her benefits and the trust funds can pay for life-enhancing things that her benefits do not provide, such as adaptive equipment and other assistive technologies.*

## WHY CHOOSE NYSARC?

- ▶ NYSARC has the experience and expertise to preserve benefit eligibility
- ▶ Admin fees cover all trust activity with no hidden fees or annual renewal fees
- ▶ Get responsive assistance from any member of our knowledgeable customer service team
- ▶ Electronically deposit income into the trust without having to mail a check
- ▶ Simplify your monthly finances with automatic payments of recurring bills
- ▶ Easily monitor trust activity 24/7 using the Online Portal or automated phone system
- ▶ Enjoy stress-free benefit recertification with unlimited statements and automated verifications of deposits

*Get care at home.*

## Community Trust II

### Funded with Monthly Income/NAMI

This trust is best suited for people who need community Medicaid, but receive too much monthly income to qualify.

Rather than having to "spend-down" your excess income/Net Available Monthly Income (NAMI) on medical needs, you can deposit those funds into a pooled SNT.

This allows you to qualify for Medicaid services while the funds in your trust can pay for personal and supplemental needs, such as monthly living expenses:

- ▶ Rent/Mortgage
- ▶ Utility bills
- ▶ Food
- ▶ Clothing
- ▶ Credit Cards
- ▶ OTC items and more!

*In the community you love.*



### HOW IT WORKS: Community Trust II

James, a 75-year-old living with dementia, receives a little too much income from Social Security each month to qualify for community Medicaid and get the home care he needs to remain comfortably in his apartment.

*By depositing his excess income/NAMI (also referred to as a "Medicaid income spend-down") into Community Trust II, James can qualify for Medicaid and the money in the trust can pay for his monthly living expenses, such as rent, utilities, and other daily needs.*

# COMMUNITY TRUST III & MSA ACCOUNTS: Protect Excess Resources & Settlement Proceeds

## Community Trust III

Funded with Resources of \$250K+

This trust allows a person with a disability to shelter resources (assets) of \$250,000 or more to maintain eligibility for government benefits. You can fund this trust with the proceeds from a lawsuit as a lump sum or structured settlement.

This trust allows for a potential remainder beneficiary after paying any Medicaid lien to the State(s) that provided services.

### HOW IT WORKS: Community Trust III

Mike was injured in an accident and now receives Medicaid to treat a traumatic brain injury. When he received a sizable settlement from his personal injury case he needed a way to shelter those funds without losing his benefits.

*By depositing his settlement proceeds into Community Trust III, Mike can maintain eligibility for his benefits and use those funds to purchase items and services that his benefits do not cover.*

## Medicare Set-Aside (MSA)

Protecting Settlement Proceeds

NYSARC also administers Medicare Set-Aside (MSA) accounts for people with disabilities who fund a pooled trust with settlement proceeds. MSA Accounts are often designated in workers' compensation and personal injury lawsuits when a portion of the settlement is "set-aside" to cover future medical costs related to your injury.





**We can help you  
get started!**

**Call (518) 439-8323  
for assistance**

# NYSARC TRUST SERVICES:

## Frequently Asked Questions

### HOW TO SET UP A TRUST?

A pooled trust is easy and inexpensive to establish because approved trust documents are already in place. We encourage you to consult with an attorney; however, depending on your situation, you may not need an attorney to open a pooled trust.

Call **(518) 439-8323** or visit our website [www.nysarctrustservices.org](http://www.nysarctrustservices.org) to get a copy of the Joinder Agreement to get started!

To establish a NYSARC Trust (Unrestricted Fund) or create an individual trust, you will need to work with an attorney to draft a trust document. Contact us for more information.

### WHO CAN BENEFIT FROM A TRUST?

NYSARC's trust programs benefit people with disabilities and seniors with disabling chronic conditions who need to protect monthly income or excess resources in order to qualify and maintain financial eligibility for means-tested government benefits such as Medicaid and/or SSI.

### HOW MUCH MONEY IS NEEDED TO ESTABLISH A TRUST?

A NYSARC pooled trust can be established with as little as \$300. You can fund the trust with a monthly spend-down deposit or a lump sum of resources. NYSARC will deduct a one-time enrollment fee of \$200 from the initial deposit. Other trust programs may require larger initial deposits.

### HOW QUICKLY CAN I OPEN A TRUST?

With benefits pending or at risk, we understand the need to open a trust quickly. Most of our trusts can be opened within 48 hours. To expedite trust approvals, please provide us with any available information as early as possible.

### WHAT DOES IT COST?

NYSARC's low, all-inclusive fee structure includes unlimited disbursement requests and no hidden fees or annual renewal fees. This keeps costs down so that

beneficiaries can maximize the funds in a trust account to improve their quality of life. All trust fee schedules are available for review on our website. Please contact customer service with questions. We will gladly assist you to determine the specific costs of the trust you are considering.

## **WHEN DOES THE TRUST CLOSE AND WHAT HAPPENS TO THE FUNDS?**

You can close a trust account by expending all of the funds on eligible disbursements if you no longer need to use the trust. Otherwise, most often the trust closes upon the death of the trust beneficiary. Per Federal law, when a first party pooled SNT closes at death, any funds that remain in the trust must be paid back to the State(s) that provided Medicaid services or retained by the trust to benefit people with disabilities. NYSARC does offer trust programs that allow a portion of the funds that remain in a trust account at death to be distributed as designated within the trust agreement.

**Call us with questions at (518) 439-8323!**

## **WHAT CAN MY TRUST PAY FOR?**

Trust funds are intended to be used to pay bills, uncovered medical expenses, and purchase life-enhancing items and services that a person's benefits do not provide. Each disbursement request is reviewed on a case-by-case basis according to Federal and State regulations to determine if it is an eligible expense based on a person's benefits. If you have questions about what your trust can pay for, please contact customer service and we would be happy to assist you.

**Find out how a supplemental needs trust could help you, or a loved one, achieve greater independence and live a happier, healthier life.**

**CALL OR VISIT US ONLINE:**

**(518) 439-8323**

**[www.nysarctrustservices.org](http://www.nysarctrustservices.org)**





## **NYSARC Trust Services**

**P.O. Box 1531**

**Latham, NY 12110**

**Phone: (518) 439-8323**

**Toll-free: (800) 735-8924**

**Fax: (518) 439-2670**

**Email: [trustdept@nysarc.org](mailto:trustdept@nysarc.org)**

**[www.nysarctrustservices.org](http://www.nysarctrustservices.org)**