
Steps to Take

Special Needs Trusts (SNT's) or Pooled Trusts are often a result of a court settlement and it is important for an individual or his / her guardian to follow the steps below:

1. Find an attorney who is knowledgeable with trusts. You can contact Alaska Legal Services or the Alaska Bar Association to request referrals to attorneys specializing in Elder or Medicaid law.
2. Find a willing person or agency that you trust to be your trustee.
3. Open a separate bank account for your trust account. If income is involved, have all money directly deposited into the account for accounting ease.
4. After the attorney has written the trust and it has been registered with the court, provide a complete copy to your Division of Public Assistance office. The trust must then be approved by a Medicaid policy specialist.
5. Give a copy of the trust bank statement to your Division of Public Assistance office showing deposits going into the trust account. You may be required to provide an accounting of all trust expenditures and use.
6. Give a copy of the recording document to your Division of Public Assistance office.
7. Keep a copy of your trust for reference.
8. If you want to change your trustee, you must notify your Division of Public Assistance office in writing at least 30 days before the change and submit the Successor Trustee Appointment document once the change has been submitted to the court.

Home and Community Based Waiver Services, Nursing Home Medicaid, and TEFRA Medicaid:

Long Term Care Office:
(907) 269-8950
or 1-800-478-4372

Questions regarding Medicaid for the Disabled, Blind, or Elderly can be directed to your local Division of Public Assistance office.

A list of Public Assistance Offices can be found at :
<http://dhss.alaska.gov/dpa/Pages/features/org/dpado.aspx>

General Trust Questions may be directed to the Division of Public Assistance Policy email box at:
dpapolicy@alaska.gov

State of Alaska
Dept. of Health & Social Services
Division of Public Assistance
P.O. Box 110640
Juneau, Alaska 99811-0640

<http://dhss.alaska.gov/dpa>

Special Needs and Pooled Trusts



Michael J. Dunleavy, Governor,
State of Alaska
Adam Crum, Commissioner Dept. of
Health & Social Services
www.hss.state.ak.us

What are Special Needs and Pooled Trusts?

Special Needs Trusts:

A Special Needs Trust (SNT) is a resource trust established for the sole benefit of a disabled individual under age 65. The trust must contain the assets (resources) of the disabled individual only; but any income the individual receives may also be placed into the trust. An SNT must be established by an individual, a parent, grandparent, legal guardian, or court.

Pooled Trusts:

A Pooled Trust is a resource trust established for the sole benefit of disabled individuals regardless of age. The Pooled Trust is established and managed by a non-profit agency for the benefit of more than one beneficiary. A separate account is maintained for each beneficiary of the trust, but for purposes of investment and management, the funds in each account are pooled together. A beneficiary may also place income into the trust.

A beneficiary who is age 65 or older must also have a finding of disability.

When is a Special Needs or Pooled Trust Useful?

A Special Needs or Pooled Trust is useful when a blind or disabled individual has resources over the Medicaid resource limit of \$2,000.

Special Needs and Pooled Trust Requirements

A valid Special Needs or Pooled Trust must meet the following conditions:

- It must be established for the sole benefit of the beneficiary.
- It must consist only of the income and resources of the beneficiary.
- The beneficiary must be determined disabled using Social Security rules;
- It must be irrevocable, meaning once established it cannot be cancelled or withdrawn by the beneficiary.
- It must terminate only upon a court order or the death of the beneficiary, whichever is earlier.
- It must stipulate that upon death of the individual, the state receives all amounts remaining in the trust up to the total amount of Medicaid benefits paid on behalf of the recipient.
- **Special Needs Trusts** must be established by an individual, individual's parent, grand-parent, legal guardian or the courts and must name a trustee. The trustee is responsible for the trust and manages all financial aspects of the trust.
- **Pooled Trusts** must be established and managed by a non-profit agency.

Important Special Needs and Pooled Trust Q & A's

Can income be placed into a Special Needs or Pooled Trust?

- Yes, income may be placed in both a Special Needs or a Pooled Trust. However, income placed into a trust is considered income for the purpose of determining a person's cost-of-care obligation, if applicable. It is the trustee's responsibility to pay the cost-of-care obligation from trust funds.

Medicaid recipients who have a Special Needs or Pooled Trust that includes income should contact their Division of Public Assistance office for the Qualified Income Trust information and requirements.

Can money placed into the trust be spent and if so, how can it be spent?

- Money placed in a Special Needs or Pooled Trust must be used for the sole benefit of the blind or disabled individual. It is important that the trustee reviews the trust language very carefully to see how the funds can be used.

Will the use of trust funds be reviewed?

- Yes, your Division of Public Assistance office and a state contractor will periodically ask for an accounting of trust funds. Additional documentation may be requested if there are any discrepancies.