

## **POOLED TRUST GLOSSARY**

**(d)4A Trust:** A (d)4A Trust is a self-settled special needs trust. It is funded with assets of the beneficiary. It is administered for the benefit of the beneficiary. The income and assets of the trust must be used for the beneficiary's special needs. These trusts are often used for tort settlements or inheritances. Assets remaining in the trust at the death of the beneficiary must be used to payback any state Medicaid agency for Medicaid benefits paid on behalf of the Medicaid beneficiary. With a pooled trust another option is to leave the remainderment to the non-profit managing the trust.

**(d)(4)(C) or Pooled Trust:** Such trusts *pool* the resources of many disabled beneficiaries, and those resources are managed by an authorized non-profit association. Unlike individual disability trusts pooled trusts may be created by the beneficiary herself. In addition, at the beneficiary's death the state does not have to be repaid for its Medicaid expenses on her behalf as long as the funds are retained in the trust for the benefit of other disabled beneficiaries. (At least, that's what the federal law says; some states require reimbursement under all circumstances.)

**Assets:** Assets include not only income and resources of an individual and spouse, but also any income or resources to which the individual or spouse is entitled but does not receive because of action by the individual, spouse or some other person or entity acting on behalf of or at the request of the individual or spouse. (For example, an individual may arrange to have an annuity to which he/she is due paid to a third party to artificially reduce apparent assets.)

**Beneficiary:** A person with a disability for whom a sub-account is established within the trust.

**Disability:** "Disability" under Social Security is based on your inability to work. We consider you disabled under Social Security rules if:

- You cannot do work that you did before;
- We decide that you cannot adjust to other work because of your medical condition(s); **and**
- Your disability has lasted or is expected to last for at least one year or to result in death.

**Grantor:** Any other person or entity that establishes a sub-account within the Trust for the benefit of a Beneficiary.

**In-kind Support and Maintenance:** In-kind Support and Maintenance (ISM) is food



and shelter furnished by the trust. It affects the Supplemental Security Income payment.

**Irrevocable Trust:** A trust which cannot be changed or canceled once it is established.

**Joinder Agreement:** That agreement attached to the Master Trust Agreement, which provides information about the Beneficiary, the Grantor, the Conservator (if any), and the Primary Representative(s) of the Beneficiary, as well as information about disbursements from the Beneficiary's sub-account and annual costs associated with the Trust, and which sets forth other issues regarding the relationships between the Trustee, Manager, and Grantors.

**Manager:** The Foundation of The Arc of Northern Virginia or any successor as provided in §8.4 of the Master Trust.

**Medicaid:** Medicaid is a medical assistance program that pays for medical benefits. It is a means tested program with income and asset limits for Medicaid eligibility purposes.

**Person with a disability:** A person with a developmental disability, mental illness, brain injury, medical or physical disability, learning disability, or any other condition per the Social Security Administration definition which limits the individual's ability to manage their own finances.

**Primary Representative:** The person(s) named in the Joinder Agreement with whom the Manager is authorized to communicate regarding the Beneficiary's interests and who may request disbursements for the Beneficiary.

**Remainderman:** A person who inherits or is entitled to inherit property upon the termination of the estate of the former owner.

**Sub-Account:** The financial account within the Trust maintained for the benefit of an individual Beneficiary.

**Supplemental needs:** Supplemental special needs are needs of the Beneficiary of the trust over and above food and shelter. Examples of special needs are non-refundable air line tickets, stereo system, television set, medical insurance, telephone bills, newspaper



subscriptions, furniture, services of a care manager, vacations, travel expenses of relatives, movies, tax payments, medical treatment for which public funds are unavailable, difference between private and semi-private room in an institution, accessible van, school tuition, books and supplies, health and life insurance premiums.

**SSDI:** [Social Security Disability Insurance](#) pays benefits to you and certain members of your family if you are "insured," meaning that you worked long enough and paid Social Security taxes.

**SSI:** Supplemental Security Income is an income maintenance program funded by the federal government and administered by the Social Security Administration. SSI is a means tested program which means there are limits on the income and assets of an SSI recipient for eligibility purposes.

**Trust:** A trust is a legal document under which assets are held and administered for the benefit of a beneficiary where the document spells out the terms and conditions of distribution and the terms by which the trust is to be administered.

**Trustee:** A trustee is the person who administers the trust in accordance with its terms. The trustee is responsible for investing the funds, accounting for income and expenses and distributions and for making distributions in accordance with the terms of the trust document.