



Special Needs Pooled Trust Guide & Frequently Asked Questions

The Mainstay Life Services Special Needs Pooled Trust is an excellent way to monitor and manage individual funds. Our trust is an essential instrument in maintaining Medicaid & Social Security benefits while allowing for flexible, customized long-range financial planning. This is critical for persons in our care.

Listed below is helpful information to get you familiar with our trust and its purpose. You will also discover how the trust operates and most importantly, how funds are managed to improve a person's quality of life.

Special Needs Pooled Trust Information Guide

What is the Mainstay Life Services Special Needs Pooled Trust (SNPT)?

Mainstay Life Services uses the SNPT to better manage funds for the individuals in our care. Our consumers can place their money into this qualified irrevocable trust which meets all federal requirements and helps those receiving means-tested benefits stay within the allowable resources. This resolves the challenge of having to stay within the \$2,000 resource limit as set by the Social Security Administration.

Because the account is an irrevocable trust, the funds within it are not counted as resources. This means that any amount in the trust will not disqualify eligibility for benefits. This eliminates frivolous "spend downs" that ultimately deplete the opportunities to save for future life events. Our consumers will have the ability to save money and use it via permissible distributions for things that will help to enhance their life.

As Trustee, Mainstay Life Services oversees the management and investment of the special needs pooled trust and serves without compensation. By law, the individual pooled trust account must be used for the sole benefit of the individual. Family members, guardians and the supports team are welcome and encouraged to make distributions from the trust on behalf of the individual.

What does the law say about special needs pooled trusts?

Special needs pooled trusts were declared by an Act of Congress in 1993 under the Omnibus Budget Reconciliation Act. Specifically, the law has the following requirements:

--only a non-profit or 501(c)3 can operate a special needs pooled trust e.g. only a non-profit or 501(c)3 can be Trustee or have discretion over a special needs pooled trust

--special needs pooled trust funds are irrevocable and therefore do not count as resources as per Social Security Administration criteria and Medicaid

--only a parent, grandparent, legal guardian, court, or the individual himself/herself can open a special needs pooled trust account

--funds are pooled for investment purposes (very much like a mutual fund), separate accounts must be maintained for individuals participating in the trust

--funds in a person's trust account must be used for the sole benefit of that individual

--since the trust has no Medicaid payback, funds retained in the remainder account must by law be used for individuals in the trust or those disabled by Supplemental Security Income criteria.

What is the remainder account?

Typically, when a person receiving Medicaid dies, their accounts are held for Medicaid payback, this is payback of benefits received over a lifetime, which usually depletes the individual's savings. With the Mainstay Life Services Special Needs Pooled Trust, there is no Medicaid payback. Funds retained by the trust must be used for other individuals disabled by Supplemental Security Income criteria. Therefore, there is a true charitable purpose to the trust.

Role of trust administrator?

Arlington Heritage Group administers our trust and handles the activity, statements, compliance, and tax items. Arlington Heritage Group works with Mainstay Life Services to train individual support teams in the use of the trust for the benefits to our consumers.

Who is the custodian?

The custodian or trust agent, is AmeriServ Trust & Financial Services Company of Johnstown, PA. AmeriServ is a subsidiary of AmeriServ Financial Bank, which is a publicly traded firm (Nasdaq: ASRV). All checks written out to a consumer's trust will be made out to "AmeriServ Trust & Financial F.B.O. [individual's name]." Our trust funds are not held on the bank's balance sheet and therefore are not lent out.

Frequently Asked Questions (FAQ's)

Is there a minimum amount required to open an account with the Mainstay Life Services SNPT?

There is no minimum amount required to open a trust account, but we recommend at least \$100 with the expectation that the account will be receiving additional deposits over time.

How quickly can a pooled trust account be established?

An individual's pooled trust account can be established within five business days with the appropriate documentation. However, should the individual require a faster turn-around time, this process can be expedited.

What are the fees associated with running the Mainstay Life Services trust?

An annual fee is 2.5% of the trust principal is charged on a monthly pro-rated basis. There are no additional fees for deposits, distributions or tax preparation. In some cases, charges are incurred for counseling services or case management once the trust is established.

What can be placed in consumer's pooled trust account?

The Mainstay Life Services trust can accommodate cash, securities, and other liquid assets.

How can a relative or friend contribute to an individual's trust account?

A family member or friend who wishes to contribute to an individual's trust account may deposit a check to the person's trust account, payable to "AmeriServ Trust & Financial F.B.O. [individual's name]". The check and deposit form are submitted for processing to Ruth Opferman's attention at Mainstay Life Services.

Are contributions to Mainstay Life Services trust tax deductible?

Contributions to an individual's pooled trust account are **NOT** tax deductible.

Can additional funds be added to a person's individual trust account?

Yes, additional deposits can be made by the beneficiary. One of the major reasons for establishing a trust account is that assets that would otherwise affect resource limits can be deposited to the trust.

Income from work, workers compensation awards, child support or other sources, can be paid into the trust without jeopardizing government benefits.

How does an individual gain access to funds in his/her pooled trust account?

A Mainstay Life Services team leader, supports coordinator, or family member can make requests in writing for funds for a specific need. This distribution must be for the sole benefit of the individual. The request should be accompanied by an invoice or receipts, along with a distribution form and submitted to Ruth Opferman's attention at Mainstay Life Services. We, as Trustee, will authorize requests so long as they comply with the law and Social Security regulations. Payment **cannot** be made directly to the beneficiary but are made to the party providing the services and/or products.

What are some examples that would be approved by Mainstay Life Services as the Trustee?

The below list is a digest of permissible distributions from a trust account. There are many more items that can be paid out of a trust account. These are items and services **NOT** covered by government benefits and yet pertains to a consumer's disability or may help improve the person's quality of life.

- Computer hardware, software, program maintenance and/or internet service
- Dues or memberships
- Conferences and travel costs
- Dental work not covered by Medicaid, including anesthesia
- Insurance co-payments not covered by Medicaid
- Over the counter medications not covered by Medicaid
- Furniture, audio equipment, and TV for the individual's use
- Private counseling, psychotherapy, psychiatrist costs not covered by Medicaid
- Therapy (physical, occupational, speech, rehab) not covered by Medicaid
- Transportation (bus or subway passes, cab fare, etc.)
- Special travel expenses to enhance social skills (including paying for personal assistance to accompany the beneficiary)

How does the Mainstay Life Services SNPT compare to an ABLE Account?

Both types of accounts are good financial tools, but an ABLE Account has limitations that our SNPT does not, such as; age restriction for onset of disability, limits on annual and lifetime contributions, potential tax implications, and has a Medicaid payback.

Can a Mainstay Life Services trust account be used to fund a burial trust?

Yes. Our trust administrator, Arlington Heritage Group recommends that trust beneficiaries have a plan in place which should include a pre-paid burial that is irrevocable.

My son has a special needs payback trust. Can he also have a pooled trust?

Yes. You can open a Mainstay Life Services Special Needs Pooled Trust for him. The funds in the payback trust should be used first to pay expenses not covered by government benefits.

Also, an established ABLE account can work hand and hand with the Mainstay Life Services SNPT.

I am a parent and wish to leave my disabled child funds upon my death. What is the best way to implement this objective now?

Set up the Mainstay Life Services Special Needs Pooled Trust now. Indicate in your will the amount you wish to leave to your disabled child with the instructions that the amount is to be placed in his/her Mainstay Life Services Special Needs Pooled Trust.

How can I divide my estate among my children without having ill feelings or have anyone involved in managing the amount that I leave to my disabled child?

Decide the amount you wish to leave to each child. Set up a Mainstay Life Services Special Needs Pooled Trust for your disabled child. Instruct the executor of your will to place the amount left to your disabled child in his/her Mainstay Life Services Special Needs Pooled Trust. The management and distribution will be the responsibility of the Trustee and not any of your children. But your children will have the opportunity to request qualified distributions for their brother or sister.

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