

Keep what's yours.

Everything you need to know about
Pooled Income Trusts and how they
can protect your fixed monthly income
from Medicaid “spend down.”



TRUSTED
THE SURPLUS SOLUTION

TrustedSurplus.org

The Pooled Income Trust: A Primer

The administrators of Medicaid had good intentions when they placed limits on the income of beneficiaries. They wanted to make sure that those who are getting the benefits really need the benefits.

The problem is, many elderly or disabled people on a fixed income find themselves just over the Medicaid limit and have to use their limited income to cover medical bills before Medicaid kicks in. They often find it difficult to pay for basic living expenses — things they would be able to afford if only they could keep the money that's theirs.

That's where Trusted Surplus comes in.

We've taken advantage of a well-established strategy* to help elderly or disabled Medicaid consumers keep their excess income to pay for their monthly expenses other than medical bills. Things like rent, groceries, utility bills — the expenses of daily living.

It's called a "Pooled Income Trust" and it works like this:

When your income exceeds the eligibility limit for Medicaid, it is deposited into a special Pooled Income Trust that we set up for you. It's still your money to use for daily expenses, but it's no longer counted as "surplus income" in regards to Medicaid eligibility.

So you get your medical bills paid for by Medicaid, and you can use your excess income for other essential expenses.

It's that simple.



*The Pooled Income Trust was established by Congress in 1993 as an exception under the amendments to the Omnibus Budget and Reconciliation Act. It authorizes the use of Supplemental Needs Trusts for the benefit of seniors, or individuals with disabilities of any age.

Spending Down

If your monthly income exceeds the limit prescribed by law in many states, you may be disqualified from receiving Medicaid benefits until you “spend down” the amount of the surplus.

Here’s an example of how the regulations can affect you.

MONTHLY INCOME

Pension	\$1000
Social Security benefit	\$1900
Total Income	\$2900

ALLOWANCES

*Medicaid Income Allowance	\$1677
***Medicare Part B Premium	\$170.10
Standard Income Deduction	\$20
Total Allowances	\$1867.10

SURPLUS TO “SPEND DOWN”

\$1,032.90



The client in this case would have to spend \$1,032.90 on medical coverage before Medicaid kicks in.

That’s money that could have gone towards food, rent and other expenses.

*Medicaid income limit as of 2023. **This number is subject to change. ***Medicare Part B is the component of Medicare that covers your preventative care and doctor visits. Outpatient surgery, laboratory work, and medical equipment also fall under the Part B umbrella. Average amount as of 01/2023.

How the Pooled Income Trust Works

The Pooled Income Trust is an established Medicaid acknowledged way for you to have money available to pay your living expenses while enabling you to qualify for community based medicaid. We help you determine exactly what that amount is in your case, and make sure that you don't have to "spend down" your income on medical expenses each month in order to qualify for Medicaid benefits.

Once you've set up your Trusted Surplus Pool Trust account, there are just two steps to using it:



1 Deposit your "excess income" into the Pooled Income Trust.

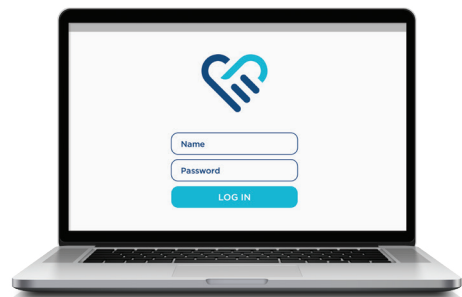
Each month, you remit your monthly surplus income to the Pooled Income Trust by mail, electronic funds transfer (EFT) or through our online portal. Of course, your personal Case Manager will help you set it all up.



2 Direct the Pooled Income Trust to pay your bills that are allowable under the law. (See facing page)

You can submit your bills to Trusted Surplus by mail, fax, email, or through our online portal, or as an automatic monthly payment. We make sure they are paid from your Pooled Trust account. Once you submit your request for disbursement, you can forget it — we take care of the rest.

Your account balance and a list of all your transactions are always available to view online. Or you can call your Case Manager to find out what you have in your account.



What Bills Can I Pay from the Pooled Income Trust?*



Living Expenses for Food, Clothing and Shelter



Housing Expenses (Rent, Mortgage, Utility Bills, Etc.)



Telephone and Internet



Supplemental Health Insurance Premiums

(If the premium was not included in the budget as a deduction)



Medical Expenses Not Covered by Medicaid



Car Expenses (Lease, Finance, Fuel, Repairs)



Legal and Professional Fees



Life Insurance



Prepaid Funeral Expenses



Entertainment, Educational or Vocational Needs

*In addition, some existing expenses, such as current credit cards bills and reimbursements may be payable by the Pooled Income Trust. Talk to your Trusted Surplus Case Manager if you have questions about specific items you'd like to pay from the Pooled Income Trust.

What can't I pay from the Pooled Income Trust?

- Alcohol, Tobacco, or Firearms
- Charitable Donations
- Gifts
- Payments on Past Debts
- Income Taxes
- Health Insurance Premiums for Other Individuals
- Child Support and Alimony Payments

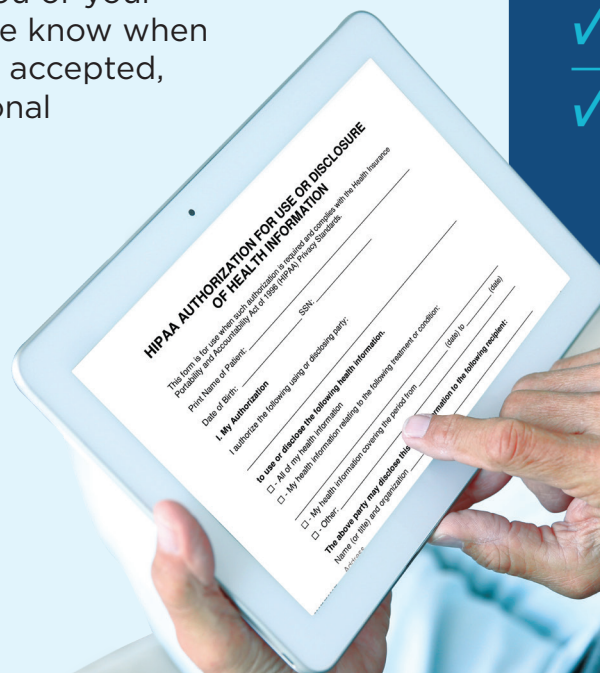
How to Open your Trust Account

As soon as you've decided the Pooled Income Trust is the right way for you to protect your income, we'll walk you through the process of opening an account. It's really easy, and your dedicated Case Manager will guide you through every step of the process.

Assuming you meet the eligibility requirements, you will be asked to complete a series of forms that we need to open your Trust account. These forms require basic information and each comes with simple instructions.

Once these forms are received, together with your enrollment payment, your account will be established. The application may take a couple of days to process, but don't worry — we'll let you or your authorized representative know when the application has been accepted, or if we need any additional information.

We'll walk you through the process of opening an account.



If you've received your starter packet, you already have the following forms to complete:

- ✓ Joinder
- ✓ Master Trust
- ✓ DOH Docs
- ✓ Disability Questionnaire
- ✓ HIPAA Release
- ✓ ACH Form



If you haven't yet received your Starter Packet, **call** 718.970.7878 or **email** info@trustedsurplus.org and we'll get you one right away.

Trusted Surplus Solutions is proud to introduce a Credit Card Feature, where you can pay and manage bills on your schedule.

- ✓ Keep Track of your payments
- ✓ Check your balance
- ✓ Live customer service
- ✓ Manage bill pay at your convenience

Here's how it works:

- Upon receiving your card, you will call and activate the card
- Set up a username and password to view all activity
- Every month the credit card will be funded with Money on the date you choose
- Any Funds not used that month will roll over to the following month

Got Questions? Call Customer Service to help assist and guide you

Cannot be used on alcohol, tobacco, firearms, charity, or pay anything for anyone else besides the beneficiary.



Fees

In order to manage your account, Trusted Surplus charges minimum fees.

In addition, there are nominal fees for services such as stop payments and returned checks.

Our fees are automatically deducted from your Pooled Income Trust account, so it's one less thing to worry about. Of course, you can monitor your fee payments online, or ask for a written accounting at any time.

ENROLLMENT FEE • \$250

Non-refundable / To establish an account

ANNUAL RENEWAL FEE • \$100

MONTHLY ADMINISTRATIVE FEES • 10%

Billed at 10% of the required monthly deposit (determined by your Medicaid allowance) to a maximum monthly amount of \$250.

Questions?

Our clients have found it easy to get fast answers to all their questions by speaking to their Case Manager directly.

Here's a few of the questions we see most often:

What is a Pooled Income Trust?

It's a unique type of trust operated by a federally approved not-for-profit organization that allows seniors and disabled individuals of any age to preserve their income and assets, while retaining financial eligibility for public benefits such as Medicaid Home Care.

How can I benefit from a Pooled Income Trust?

By establishing a Pooled Income Trust, you will be able to use your monthly income to pay for living expenses without contributing to the cost of medical care that is covered by Medicaid.

What are the basic requirements for joining?

The beneficiary must be over the age of 65 or disabled as defined by Social Security law. The Pooled Income Trust account must be established by the beneficiary, guardian, or Power of Attorney and must be established solely for the benefit of the beneficiary.

How long does it take to open a Pooled Income Trust?

We can usually open your Pooled Income Trust account within 48 hours, a big plus if you're worried about applying for — or losing — benefits. It's best to contact us before you apply for Medicaid so that you'll get all the benefits you deserve.

How much will the Pooled Income Trust account cost?

We have a very reasonable fee schedule (see page 7) that makes the Pooled Income Trust well worth the cost. After our nominal enrollment and annual fees, the maintenance is 10% of the surplus amount.

What if my surplus income ends?

If, for whatever reason, the income that put the beneficiary over the Medicaid limit ends, just let us know in writing. We'll make the balance of the trust available for use to pay the bills. (Fees will still apply until the funds are fully depleted.)

What if my surplus income increases?

No problem. Just let us know and we'll help you calculate the new amount you need to contribute to the Trust in order to stay within the income limit for uninterrupted Medicaid benefits.

What if the beneficiary enters a long term care facility?

Just notify us in writing. The Trust will continue to pay bills as before until the Trust fund is depleted.

What happens when the beneficiary dies?

Once we are notified by the estate, we proceed to pay all the final disbursements that are submitted to us within 90 days. By law, the Trust cannot pay for expenses incurred after the beneficiary's passing, including funeral expenses. The funds remaining in the Trust account revert to the fund, as required by Federal law.

Can I make a payment to anyone who provides allowable services?

By law, you can only make payments to established businesses like retail stores, banks, utility companies and the like. If you want to make a payment to another vendor, contact your Case Manager beforehand to see if the Trust will allow it.

Can't I just create my own Pooled Income Trust?

No, you can not create your own Pooled Income Trust. You do not need a lawyer for this Trust. You need to have a master Trust that is approved by the City and State of New York. The Pooled Income Trust was established by Congress in 1993 as an exception under the amendments to the Omnibus Budget and Reconciliation Act. It authorizes the use of Supplemental Needs Trusts for the benefit of seniors, or individuals with disabilities of any age.

If you don't see the answer to your question here, check with your Trusted Surplus Case Manager, or call 718.970.7878.



Why Trust Trusted Surplus

It's not just your money — it's your *peace of mind*. That's why we at Trusted Surplus make sure our clients know their finances are always handled with care and compassion. We look forward to visiting our clients in their homes to get them started, making sure they understand everything about the Trust and how it will work for them. Each client is paired with a dedicated Case Manager who stays with them for the long run.

Our clients appreciate knowing that their funds are safely held in a special FDIC Insured Trust Account, and that each of their requests for disbursements are handled quickly and fairly by our in-house team. We pay your requested disbursements promptly so you'll never worry about bills again.

What's more, Trusted Surplus is well versed about agency rules regarding income and resources and can answer any questions from the Supplemental Security Income or Medicaid programs.

All at a most reasonable fee schedule.



You're in Control

With our advanced management tools, you are in control of your money. You tell us what to pay and when to pay it. We take care of the rest, while safeguarding your monthly surplus income to make sure you're always eligible for assistance.

We Come to You

Trusted Surplus is passionate about customer service. We provide you with a dedicated Case Manager who knows the details of your particular situation. We'll even come to your home at your convenience to make your experience as stress-free as possible.

We Seriously Care

At our very core is the commitment to make sure you get the full benefits of your income in a way that's comfortable and pleasant for you.



INDIVIDUALLY TOGETHER

Trusted Surplus is a nonprofit organization that “pools” together funds from a number of individuals, and then uses the combined fund to cover the living expenses of those individuals over time. Each client’s contributions are accounted for separately and can be managed as individual trusts so **every client is credited accurately for his or her contribution.**

Pooled Income Trust vs. First Party Trust

While some beneficiaries may choose to form a “first party trust” and hire a professional trustee, these professionals rarely take on smaller trusts. For smaller incomes or inheritances, “Pooled Income Trusts” offer professional level experience and knowledge without costing the beneficiary large sums to establish and manage the Pooled Income trust.

Extra Services

Pooling resources can have other benefits. With more funds at their disposal, “pooled trusts” are able to provide extra management services, like online account management.

More Stability

An organization like Trusted Surplus offers greater stability in trust administration than many first party trusts.

Financial Benefits

Finally, by virtue of our Pooled Income Trust’s size, we command better interest rates and other financial benefits that we share with our clients.



Next Steps

Congratulations. You're one step closer to protecting the income that's rightfully yours. Fill out the forms enclosed in the Starter Packet, or request a packet by calling us. If you have any questions, we're always here to help.

We're happy to come to your home to explain the Trust and to walk you through the process. We want you to be as comfortable as possible with your decision.

**Most of all, we want you to
keep what's yours!**



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