

## *The four types of trust accounts:*

Trust I & Trust II: Supplemental Trusts are ideal for people with disabilities who expect to receive government benefits throughout their lives. The Arc will ensure that the person remains eligible for those benefits by approving disbursements only for the beneficiary's "supplemental" needs, which include most items other than food, housing, clothing.

Trust III & Trust IV: Discretionary Trusts are designed for people with disabilities who may sometimes need government assistance and at other times may not. When the person is receiving benefits, The Arc will only approve disbursements that are "supplemental" in nature. But if the beneficiary's life changes so that he or she no longer needs government benefits, The Arc can approve disbursements on a discretionary basis for everyday needs such as food, clothing, and housing.

When **Todd** was 34, he was seriously injured in an automobile accident that left him paralyzed from the waist down when he was awarded a modest amount of money from a lawsuit, his attorney feared that having the additional money meant Todd would no longer qualify for the Supplemental Security Income and Medicaid benefits that were paying for his everyday needs such as housing and food.

Todd and his attorney were happy to learn about the Master Pooled Trust. They established an account in Todd's name that allowed the court to award the settlement directly to the trust, rather than to Todd himself. Todd is still receiving his federal benefits, but he also is using disbursements from his trust to enhance his quality of life.

**Ethan** is an active 8-year-old who has an intellectual disability. He is already dreaming about his future. Someday, he wants to work at a library and live in his own house in the country. Ethan's parents are planning for his future, too. They want to make sure that when Ethan moves out of their home, he will continue to have everything he needs to lead a happy life.

His parents started their planning process by opening a Master Pooled Trust account for Ethan. They decided that in addition to funding the account through their life insurance policies, they would invest some money from their savings account in the trust now, and add to it from time to time, so that while Ethan is growing, his trust will also have a chance to grow. This way, they know Ethan will have money available throughout his adulthood to use for any supplemental needs his job or government benefits cannot provide.

Weighing only 14 ounces when she was born, **Brianne** was the smallest baby ever to survive at the Methodist Hospital in Dallas. As a result of her premature birth, Brianne has a number of serious medical complications. Her parents depend heavily on government benefits to provide Brianne with nursing care, physical therapy and medical supplies such as catheters and oxygen tanks.

A local Kiwanis Club raised money to help Brianne's family. However, knowing that Brianne's benefits would be endangered if they accepted this gift, her parents thought they would have to decline the offer. Instead, their attorney suggested they open a Master Pooled Trust account for Brianne. Now the trust is providing her with some of the things Medicaid can't, such as diapers, eyeglasses, and visits from her grandmother.

These days, 59-year-old **Mary** is feeling great: the right combination of medication and therapy is making it possible for her to lead a fairly normal life despite her ongoing struggle with a mental illness. Although Mary is not currently receiving government benefits, she has relied on them in the past, and she knows a time may come when she will gain need the services government programs can provide.

Today, Mary is living on her own and has a part-time job. Mary has a discretionary Master Pooled Trust account that she uses to help pay the rent when money gets tight. But she also has the security of knowing that if her circumstances change and she needs to begin receiving government benefits again, she will still be able to use her Master Pooled Trust account for supplemental needs.

Jorge and Teresa have specified in 'their wills that they want to leave some assets from their estate to their daughter **Claudia**, who has cerebral palsy. They decided to direct the assets into a Master Pooled Trust account so that when Claudia receives her inheritance, she will still be eligible for her government benefits. However, Claudia's parents wanted some assurance that the trust would be set up in the way they intended. They decided to enroll in the trust now (even though the account won't be funded until the time of their deaths) so they can put their wishes for Claudia in writing through the legally binding Master Pooled Trust Joinder Agreement.

### ***Enrolling in the Master Pooled 'Trust***

- 1) Determine the source that will fund your family member's trust. The money could come from a variety of sources: a will, a life insurance policy, SSI back-payments, a court settlement, a gift, or even cash from a savings account. You should also consider how and when you want your family member to use his or her disbursements.
- 2) Consult with an attorney or financial planner, and determine which of four trust agreements best meets the needs of the beneficiary. We recommend that you seek the independent advice of an experienced estate planning attorney or certified financial planner who can help you prepare the necessary documents and advise you about any relevant tax issues. The Arc can refer you to a list of attorneys throughout the state who have offered to provide their services at reduced rates for families of persons with disabilities who need estate planning.
- 3) Complete the Joinder Agreement. The Joinder Agreement is the legal document you will fill out to establish a Master Pooled Trust account. You will need to provide some basic information about the beneficiary, the source of funding for the trust and your wishes for how the disbursements will be used. The agreement should take only a few minutes to complete, and you may deliver it to The Arc by mail. Be sure to include a check for the enrollment fee, payable to The Arc of Texas, along with the completed Joinder Agreement.

For a copy of the Trust document, the Joinder Agreement, and current fee schedule, or more information about The Arc of Texas Master Pooled Trust and how it can benefit you or your family member, please contact trust staff:

The Arc of Texas  
Master Pooled Trust  
8001 Centre Park Drive, Suite 100  
Austin, Texas 78754-5118

Contact Haley Greer or Byron Dickard at  
Phone: (512) 454-6694  
Toll Free: (800) 252-9729  
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or visit our web site at [www.thearcoftexas.org/trust/](http://www.thearcoftexas.org/trust/)

### **The Arc of Texas Master Pooled Trust**

- Serves any Texas resident who meets the definition of a person with a disability under the Social Security Act
- Provides for the needs of people who have disabilities, while allowing them to remain eligible for government benefits such as Medicaid and Supplemental Security Income
- Frees families from learning Medicaid regulations
- Offers an affordable alternative to traditional bank trusts
- low enrollment costs
- no minimum or maximum funding requirements
- low annual consultation fees for funded accounts; no annual fees for non-funded accounts
- Is managed by The Arc of Texas, a nonprofit organization with over 60 years of experience in serving people with disabilities
- Simple and prompt disbursement procedures, with excellent customer service satisfaction ratings
- Can be funded with the person's own money or with money from a friend or family member
- Investments are professionally managed by our Trustee, JPMorgan Chase Bank, NA