# Arcare, Inc. Trust Department
# Frequently Asked Questions

## What is the difference between a pooled trust share and a stand-alone supplemental needs trust?

An Arcare pooled trust share operates under a master trust agreement that is pre-approved by state Medicaid agencies and the Social Security Administration. A private/stand-alone trust is a document drafted by a qualified attorney.

## What is the difference between a third-party and first-party, or self-settled trust?

- A first-party trust is funded with money belonging to the beneficiary, such as excess resources, legal settlement, SSA backpay.) By federal law, the first-party trust requires a payback of any remaining funds in the trust share to any state Medicaid agency which provided benefits to the beneficiary. This is often referred to as the Medicaid payback.
- A third-party trust allows parents, grandparents, or any third party who does not owe a duty of support to the beneficiary to leave funds for their loved one with a disability without endangering their eligibility for public benefits such as Supplemental Security Income (SSI) and Medicaid. This type of trust does not require the Medicaid payback at the death of the beneficiary.

## How do I enroll in the Arcare pooled trust?

Enrollment is simple – an enrollment packet needs to be completed and returned to our Trust Liaison Specialist, along with the funding check.

1. Mail: Arcare, Inc.
   Attn: Nicole Gallinger
   PO Box 12890
   Overland Park KS 66282
2. Email – Nicoles@arcare.org
3. Fax – 913-648-0057
   Attn: Nicole Gallinger
   PO Box 12890
   Overland Park KS 66282

## What are the fees?

Our full fee schedule is available on our website under resources HERE.

## What can and can't the trust be used for?

A brief list of distributions that are typically not permitted, along with frequently requested distributions, can be found on our website under Trusts I and II, Forms Library HERE.

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## Can the trust funds be used to purchase a vehicle? A Home? A funeral plan?

Maybe. Arcare, Inc., as trustee, is required by law to determine if any request for distribution of trust funds is allowed by the terms of the trust. There are many factors we use to make this determination, such as the age of the beneficiary, balance of the trust, and the stated goals of use of the trust funds. For large purchases such as a vehicle or home, it is best to discuss these purchases and the best way to manage them prior to enrolling in the trust. We always encourage beneficiaries to fund an irrevocable funeral/burial plan either before establishing the trust, or during the lifetime of the beneficiary.

## What are the different distribution payment methods?

Distributions may be made by check or via a True Link prepaid Visa debit card. A complete list of distribution methods can be found on our website HERE.

## What is the process for requesting funds from the trust?

A Request for Distribution form must be completed and submitted, along with all supporting documentation, such as invoice, quote, or receipts.

*A Request for Distribution Form can be found on our website in our forms library HERE and should be sent to info@arcare.org.*

## Can I make additional deposits to the trust?

- For a Trust II share, the answer is yes – simply mail a check payable to "Arcare TRII FBO 'beneficiaries name' to PO Box 12890, Overland Park KS 66282.
- For a Trust I, or standalone trust, the answer is not that simple. Please discuss this question with our Trust liaison specialist.

## If I am family, or a supporter of the beneficiary, can I still be involved in the trust?

Yes, so long as Arcare, Inc. has the beneficiary's consent, or consent of the person establishing the Trust. We rely heavily on the support system of our beneficiaries, but must also be sure the privacy of the beneficiary is respected.

## What happens in an emergency or if I need trust funds on a weekend?

The trust share is not a pay on demand bank/financial account. Our organization maintains regular business hours from 8 – 5, Monday through Friday. There is no emergency access to our trust department on the weekend or holidays. In order to avoid emergencies, we work with our beneficiaries to establish a budget for monthly needs and distributions.

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## What happens to the funds when the beneficiary dies?

It depends on the trust type.

- Third-party (Trust I pooled trust shares or standalone trust agreements) – The original donor names the remainder beneficiaries and identifies, if any, what expenses can be paid from the trust prior to distribution of any remaining trust balance.

- First-party (Trust II pooled trust shares) – By federal law, Arcare, Inc., as a nonprofit organization, is allowed to retain a portion of the remaining trust share in order to further our nonprofit mission and assist others with disabilities. Any funds remaining after that portion is retained are subject to the Medicaid payback provision required for these types of self-settled trust shares. If there are any funds remaining after the Arcare, Inc., retained portion and the Medicaid claim is satisfied, then the remainder beneficiary identified by the Grantor of the trust will receive the remaining funds.

- First-party (standalone trust shares) – These trust shares are also subject to the Medicaid payback provision after the death of the beneficiary, but not the Arcare, Inc. nonprofit retained portion. The Grantor of the trust may name the ultimate remainder beneficiary.

## Is the trust FDIC Insured?

FDIC coverage only applies to bank accounts. The money in the trust share is an investment account, managed by Arcare, Inc., as Trustee, using a Registered Investment Advisor (True Link); the custodian of the accounts is Charles Schwab. Kansas law governs the trustee's fiduciary obligations regarding the investment.

## Will the trust affect my HUD Housing?

It should not. HUD/Section 8 Housing is based on income, not assets. These types of trusts are exempt resources for public benefit eligibility.

## How long do I have to spend down the funds/get the funds out of my bank account to maintain my SSI or Medicaid eligibility?

You have until the last day of the month in which you received the funds. For example, if funds were received and deposited into your account on September 5th, you have until September 30th to get your personal accounts under the resource limit.

PO Box 12890 | Overland Park, KS 66282
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Planning today for your loved one's tomorrow