



The Arc
Master Trust

**The Arc of Indiana
Master Trust**
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Social Security Administration

Dear Director:

The Arc of Indiana Master Trust I is a third-party pooled special needs trust established for our beneficiary through the deposit into the trust by someone other than the beneficiary. The purpose of this letter is to explain why The Arc Trust does not affect eligibility for SSI.

SI 01120.202 of the Program Operations Manual explains the development and documentation of trusts established on or after 1/1/00. Section 01120.202(1)(b) specifies which instructions to apply. For trusts established on or after 1/1/00 with only assets of third parties, the instructions to follow are contained in SI 01120.200.

SI 01120.200 provides direction on trusts established by third parties. This trust was established by a third party. Therefore, it is subject to the conditions set out in SI 01120.200.

SI 01120.200(D) sets out SSI policy for trusts as resources. (D)(1)(a) says, "If an individual (claimant, recipient, or deemor) has legal authority to revoke the trust and then use the funds to meet his food or shelter needs, or if the individual can direct the use of the trust principal for his/her support and maintenance under the terms of the trust, the trust principal is a resource for SSI purposes.

"Additionally, if the trust provides for mandatory disbursements to the beneficiary and the beneficiary is not prohibited from anticipating, assigning or selling the right to future payments, the current value of these payments may be a resource to the beneficiary."

No beneficiary of our trust has the legal authority to revoke the trust and then use the funds to meet food or shelter needs. No beneficiary of our trust can direct use of the trust principal for support and maintenance. Further, the trust does not provide for mandatory disbursements to the beneficiary, and the beneficiary is prohibited from anticipating, assigning or selling the right to future payments. (For confirmation, see Articles Two, Four, Six, and Eight of our trust document.) Thus, per SI 01120(D)(1)(a), our trust is not a resource.

SI 01120.200(D)(2) identifies trusts which are not resources. This section says, "If an individual does not have the legal authority to revoke the trust or direct the use of the trust assets for his/her own support and maintenance, the trust principal is not a resource." No beneficiary of our trust has the legal authority to revoke the trust or direct its use for his/her own support and maintenance. Thus, the trust principal is not a resource.

Subsection G sets out SSI policy for earnings/additions to trusts. (G)(1)(a) concerns trust earnings. It says, "Trust earnings are not income to the SSI claimant or recipient who is a trust beneficiary unless the trust directs, or the trustee makes, payment to the beneficiary." Our trust does not direct that the trustee make payments to the beneficiary. Our trust does not intend to give money to a beneficiary. We recognize that doing so creates income to the beneficiary.

Although the trust is not a resource available to our beneficiary, we recognize that, depending on how it is used, it could create income or non-exempt resources. Our intent is to not create income or non-exempt resources. All trust disbursements will be reported to your office.

Sincerely,

A handwritten signature in black ink that reads "Melissa Justice". The signature is written in a cursive, flowing style with a large initial 'M' and 'J'.

Melissa Justice
Director

Enclosure: Account Statement