



The Arc
Master Trust

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

To Whom it May Concern:

The Arc of Indiana Master Trust II is a self-settled pooled special needs trust established for the sole benefit of our beneficiary. The purpose of this letter is to explain why The Arc Trust does not affect eligibility for SSI.

SI 01120.203 of the POM specifies exceptions to counting trusts established on or after 1/1/00. One exception is "Pooled Trusts Established under Section 1917(d)(4)(C) of the Social Security Act. The Arc of Indiana Master Trust II satisfies the (d)(4)(C) requirements. The requirements are as follows:

- (i) The trust is established and managed by a non-profit association.
- (ii) A separate account is maintained for each beneficiary, but for purposes of investment and management of funds, the trust pools these accounts.
- (iii) Accounts in the trust are established solely for the benefit of individuals who are disabled as defined in Section 1614(a)(3) of the Social Security Act.
- (iv) The account in the trust is established by the individual, a parent, grandparent, legal guardian, or a court; and
- (v) To the extent that amounts remaining in the beneficiary's account upon the death of the beneficiary are not retained by the trust, the trust pays to the State from such remaining amounts in the account an amount equal to the total amount of medical assistance paid on behalf of the beneficiary under the State Medicaid plan of each state that has provided medical assistance to the beneficiary during the beneficiary's lifetime, pro-rata, with each state receiving a percentage of the remainder that is commensurate with the proportionate share that it has expended on behalf of the beneficiary.

The Arc of Indiana is a non-profit association; for purposes of investment, the funds are pooled, but separate accounts are maintained for each beneficiary; the recipient's account is solely for his/her benefit; the account was established by the beneficiary; and, at death, if any funds remain in the account, after The Arc receives its retained share, the trust will pay to the appropriate Medicaid agency of each state that has provided benefits to the Beneficiary during the Beneficiary's lifetime, pro-rata, with each state receiving a percentage of the remainder that is commensurate with the proportionate share that it has expended on the Beneficiary during the Beneficiary's lifetime respective to all other state Medicaid agencies that also have expended money on behalf of the Beneficiary during the Beneficiary's lifetime.

In addition to satisfying the above requirements, SI 01120.203 further requires that the trust “be evaluated under the instructions in SI 01120.200 to determine if it is a countable resource.” SI 01120.200 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 the individual’s resource for SSI purposes.”

The recipient does not have the legal authority to revoke the trust or direct the use of trust assets for his/her own support and maintenance. (See especially, Articles Three, Five, Seven, and Nine of our Declaration of Trust, a copy of which is enclosed.) Thus, the trust principal is not a resource for SSI purposes.

Step 7 in the step-action format for “Developing Exceptions To Resource Counting” (SI 01120.203(D)(2)) asks, “Is the trust irrevocable?” It then says, “If yes, the trust is not a countable resource.”

The Arc Trust is irrevocable. Article Four of our Declaration of Trust specifies that the trust is irrevocable. It says, “Upon delivery to and acceptance by the Trustee of cash, its equivalent, or then marketable securities, the trust, as to the Beneficiary, shall be irrevocable and said property shall be non-refundable.”

The trust does not count as income to the recipient. SI 01120.200 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.” The trust does not direct that earnings be paid to the recipient. Nor does the trustee intend to pay earnings to him or her. Thus, the trust is not income to the recipient.

Please call me if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Justice". The signature is written in black ink and is positioned above the printed name and title.

Melissa Justice
Director

Enclosure: Account Statement