

**THE GEORGIA
COMMUNITY TRUST**
of AADD



TRUST IN YOUR FUTURE

A guide to setting up Your Special Needs Pooled Trust Account

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Welcome!

The Georgia Community Trust of AADD's mission is to:

*Protect Your Benefits,
Enhance Your Quality of Life, and
Provide for Your Future.*

The purpose of this book is to help you know how and when you can use your trust fund for your needs while meeting state and federal requirements. We are always here to help you through any step of any process so please feel free to contact us anytime.

We believe that planning for the future is a critical component of caring for a loved one with a disability. Georgia Community Trust of AADD was implemented to offer families a dependable, affordable vehicle for providing financial security and an enhanced quality of life for their loved ones, while preserving the benefits that they depend on in their daily lives.

The GCT of AADD Team

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1. What is a Special Needs trust

What exactly is the benefits of a Pooled Special Needs Trust?

A trust is a legal agreement whereby money is given to a person or entity to manage it on someone else's behalf. The person for whom the trust is established is called the Beneficiary. A Special Needs Pooled Trust is created to enhance the quality of life for a person receiving government assistance, without jeopardizing the benefits he or she receives. It is a pooled trust wherein a single "Master Trust" is used to serve many individuals. Both private and pooled trusts must be drafted so that the trust is irrevocable, and that available funds are used only for the sole benefit of the beneficiary. A pooled trust may only be established and administered by a non-profit organization.

Administration of a Special Needs Trust must follow strict guidelines set forth by state and federal agencies to maintain eligibility for public benefits for the beneficiary of the trust. This applies to both pooled and private trusts.

2. 1st Party Accounts (Beneficiary Funded)

Beneficiary funded accounts are also known as self-settled or first-party trusts. Money deposited into this type of sub-account belongs directly to the beneficiary. Money used to open a first-party trust account may come from a variety of sources, injury settlement, direct inheritance, or social security back payment to name a few. All of the funds are to be used only for the sole benefit of the beneficiary.

As a result of the Omnibus Budget Reconciliation Act of 1993 (ORBA '93), any Special Needs Trust funded with a beneficiary's own money must include a provision that allows for Medicaid to recover any money paid out on behalf of the beneficiary, if there is any money left in the trust sub-account when the beneficiary passes away. This provision is what allows the money to be kept in the sub-account without being counted as an asset for the beneficiary.

3. 3rd Party (Grantor Funded)

Donor funded trust accounts, also known as third-party trusts, help families plan for the financial future of their loved one. Typically, these accounts are funded by parents or grandparents through a will, living trust, retirement account or life insurance policy.

4. Protecting Your Benefits

We at the Georgia Community Trust of AADD know that your benefits are vitally important to you. Protecting your benefits is a priority of ours. There are many guidelines and provisions that social security requires us to follow so that you are able to continue receiving benefits as long as possible. As food and shelter are designed to be paid for through using SSI/SSDI, public benefits, or other income of the Beneficiary, the trust funds will focus on enhancing the quality of life for the Beneficiary.

5. Benefits of a Pooled Special Needs Trust

GCT of AADD strives to make sound low risk investments that preserve the account principle. Along with the goal of conserving the principle GCT of AADD utilizes the conservative investment gains to cover administrative costs. The sub-account's funds, like other investments, are not insured by the FDIC, are not bank guaranteed and may lose value. Each sub-account's gains and/or losses can be tracked on your sub-account statements.

6. Establishing a Trust

The enrollment process for a first-party or a third-party sub-account are basically similar. We are here to help and would be happy to assist you at any point during the enrollment process. The Joinder Agreement is a required legal document that details the terms of establishing the sub-account. Our Joinder Agreement is form fillable so it is much easier to fill in, print and get signed. Once your packet is received it will be reviewed by GCT of AADD staff and then sent to Department of Community Health, DCH, for their approval. This approval is required as the sub-account protects the benefits that DCH and SSI are providing. Once DCH has approved our agreement and the enrollment fee is paid the sub-account is active.

7. Funding My Account

If you are not sure what type of account you have, please feel free to contact the GCT staff.

BENEFICIARY FUNDED (1 ST PARTY) If your trust account was set up with your own money (beneficiary funded account) then you may deposit money into your account at any time.

DONOR FUNDED (3RD PARTY) If your trust account was set up with money that was given to you by someone else (donor-funded account) you may not deposit any of your own money into the account, but other people may give you money by depositing into this account. If you have money that you need to deposit but do not have a beneficiary funded account, then you may contact the GCT Staff to talk about whether you need to open another account.

Please remember to include your sub-account number in the memo area of the check. Make checks payable to: "GCT of AADD FBO (Name of Beneficiary)" FBO = "For the benefit of"

Deposits may be made at any time by mailing a check to

GCT of AADD
125 Clairemont Avenue
Suite 300
Decatur, Georgia 30030

8. Can I make changes to my Sub-account?

a. Basic Information

You may use a GCT of AADD Amendment Form to let us know about any changes to your contact information, such as address, phone number or email address. Other people associated with your account, such as authorized persons, may also use the Contact Change Form to update our files with their new information.

b. Legal Information

Legal information related to your account includes the list of beneficiaries and people authorized to access the account. There may be restrictions on what changes can be made. If you signed established your own account, you may change beneficiaries or authorized persons. If someone else established the account on your behalf, then that person must authorize the changes. If you have any questions about these changes, please contact our office.

9. Can I close my Sub-Account?

No. Your subaccount with the GCT of AADD is irrevocable. That means that you may not withdraw or transfer funds or close the account. The Trust Advisor may close your account if there is not enough money left in to cover the fees associated with maintaining the account.

10. Enhancing Your Quality of Life

The list of goods and services that are eligible to be purchased from the trust is quite extensive. It is nearly impossible to list all items. Below are items that are commonly requested and covered. Please keep in mind that this list is only a guide and should not be viewed as an entitlement to these items.

GOODS

Clothing
Computers/Software
Electronics (television, stereo, etc.)
Eyeglasses/Contacts
Furniture
Gasoline
Hobby Supplies
Household Appliances
Household Products/Supplies
Medical Supplies/Equipment
Musical Instruments
Personal Care Items
Pet Supplies
Prepaid Funeral Expenses
Toys/Games
Vacations (Beneficiary's portion)
Vehicles

SERVICES

Athletic or Recreation Fees
Attendant Care
Auto Repair/Maintenance
Cable TV/Internet
Cell Phone Services
Eye and Dental Care
Hair and Nail Care
Home Modifications/Improvements
Insurance – Auto/Renters
Medical Expenses
Music Lessons
Pet Care/Veterinarian Bills
Professional Fees – Attorney, Accountant, etc.
School Tuition
Tickets, Movies, Concerts, Events, etc.
Transportation
Vehicle Modifications for Accessibility

11. How do I request a disbursement?

The Georgia Community Trust of AADD (GCT of AADD) Requests for Reimbursement will only be approved for the supplemental needs of the beneficiary, provided they are reasonable and necessary to improve the quality of life for the individual, using best practice standards. The disbursements made from the GCT of AADD, must be reasonable and proper as constrained by the principles of Medicaid and Supplemental Security Income, which are public assistance programs for the individuals with a disability and limited assets and income. No reimbursements can be made directly to the beneficiary and all reimbursements and disbursements must be solely for the benefit of the beneficiary.

12. Easy Access to Your Funds

Georgia Community Trust of AADD is excited to offer our Account Holders the True Link Prepaid Visa® Card. This card is a prepaid card designed specifically for Special Needs Trust. The True Link Prepaid Visa® Card offers Advisory Co-Trustee the ability to customize where, how much, what can be purchased, and where things can be purchased. Under certain circumstances the Beneficiary may also be issued a card. The cost associated with this service is \$7.00 per card, per month, and equates to \$84.00 annually.

13. What about Government Reporting?

Recipients of Social Security disability benefits or their Representative Payees are required to disclose the existence of a trust on the annual report. Account statements that verify trust activity are available by request from the GCT of AADD office. If a letter is needed from GCT of AADD to verify the nature of the trust and its exclusion as a countable resource for means-tested benefits, please contact the GCT of AADD office.



14. Fees

Georgia Community Trust of AADD is a non-profit organization. With that in mind, we strive to set our fees so that the interest, dividends, and earnings from the trust's pooled investments will cover the cost of the fees applied to each sub-account without having to access the principal to maintain the account.

The following fees, **which may be changed at any time without prior notification**, may be charged by the Trustees:

Fee Descriptor	Fee Amount
A. Initial Enrollment and Approval Fee A one-time fee due at the time the Joinder Agreement is executed. The fee covers the creation of the sub-account and the approval process with the Georgia Department of Community Health.	\$ 900.00
B. Annual Administrative and Investment Fee – During the year the trust will: <ul style="list-style-type: none"> • make the necessary deposits and disbursements/reimbursements; • maintain a separate Sub-Account for the beneficiary; • invest the excess funds to generate investment income, while trying to preserve capital; • allocate the investment income to the beneficiary's account on a weighted average basis of the account balances during the period; • prepare and distribute an annual financial summary of the beneficiary's account; and • provide the annual financial information required by the Georgia Department of Community Health (when required). 	1.5% \$600.00 Minimum
C. Preparation of Tax Returns: <ul style="list-style-type: none"> • Each sub-account is a trust and is generally required to file a U.S. and Georgia Fiduciary Return. GCT of AADD will prepare taxes. • If the beneficiary is required to file a U.S. and Georgia Individual Income Tax Return, we will prepare a tax return if requested. 	\$300.00
D. Special Assessments The Trustees have authority, as necessary, to assess all Sub-accounts or certain Sub-accounts with special assessments for specific costs such as the cost of defending a Sub-account or the Trust for taking actions to preserve a beneficiary's Government Assistance.	Varies Based on Complexity
E. Other Fees <i>Closing Fees:</i> Assessed upon the closure of an account. <i>Bank Fees:</i> Monthly bank fees for account management.	\$100.00
<i>Stop Payment:</i> When a stop payment of a check is requested.	\$40.00
<i>FedEx:</i> When requested to overnight a disbursement.	Varies

~ Enrollment Fee

This is a one-time cost of opening the sub-account and establishing a detailed beneficiary profile that will guide us in managing the sub-account in the best interest of each beneficiary based on their specific situation and needs.

~ Administration Fee

The administration fee is an annual fee. It is billed to the account monthly and covers the cost of managing the account. Administration includes receiving and reviewing disbursement requests, processing disbursement checks and deposits, maintaining accurate accounting of sub-accounts, providing account statements, ensuring compliance with state and federal rules and regulations, and serving as a resource to beneficiaries and their advisors regarding the trust.

15. Taxes

All sub-accounts are subject to taxation for all investment income earned through interest, dividends and market gains and losses incurred in that calendar year. Each year GCT of AADD's contracted accountant will prepare appropriate tax forms and GCT of AADD will forward those forms to the beneficiary or his or her authorized representative. The fees for these year-end tax services are included in the annual renewal fee for each account.