



THE LAW OFFICES OF  
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FAMILY WEALTH & LEGACY COUNSELLORS

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### **What is a Pooled Trusts and How Does it Protect My Family?**

Beneficiaries of programs like Supplemental Security Income (SSI) and Medicaid must be impoverished to qualify for benefits. They can lose their benefits if they come into an inheritance, receive money in their own names from an accident settlement, or merely accumulate too much money in a bank account. Beneficiaries can prevent this from happening by transferring their excess assets into an individual self – settled or "first-party" special needs trust, also known as a (d)(4)(A) trust (referring to its authorizing statute). However, these trusts can be costly to set up, they must be created by a beneficiary's parent, grandparent, guardian, or a court. They are only available to individuals under the age of 65. A "pooled trust" presents another option.

A pooled trust, also known as a "(d)(4)(C) trust," is a special needs trust with a twist. While a (D)(4)(A) special needs trust is created by someone for the benefit of a specific beneficiary, a pooled trust is established by a non-profit organization. Each individual beneficiary has an account within the larger trust. Because a pooled trust accepts contributions from many beneficiaries, the trust is able to make more stable investments and provide additional management services. On top of these benefits, transfers into a pooled trust, like transfers into a first-party special needs trust, do not prevent a person with special needs from accessing government benefits, even those over the age of 65.

Although the funds placed in a pooled trust are invested together, each beneficiary's account remains his own. As with an individual special needs trust, funds in a pooled trust are used to supplement a beneficiary's government benefits, and the funds can be used to pay for reoccurring bills, clothes, and other expenses. Importantly, beneficiaries that need to spend down their assets in order to qualify for, or remain on, government benefits can transfer funds directly into a pooled trust account without having to rely on a family member's help.

Like most trusts that allow people with special needs to qualify for benefits, pooled trusts come with a catch. As with an individual (d)(4)(A) trust, upon a beneficiary's death, the funds held in a pooled trust account must be used to reimburse the government for any medical services provided while the beneficiary was alive. However, the state often allows the non-profit organization that established the pooled trust to retain a percentage or all of a deceased beneficiary's account to support its mission and/or other disabled individuals.

When should a person with special needs consider a pooled trust? While each beneficiary's situation is different, a person with special needs often uses a pooled trust when they are over the age of 65 or do not have someone to create an individual first-party special needs trust for them and they need to transfer funds in order to qualify for, or maintain, government benefits. A beneficiary who has only a small amount of

money in their name may also like the low cost of a pooled trust. Others appreciate the fact that their funds will be used to help others with special needs.

The Law Offices of Hoyt & Bryan assists families in the protection of their loved ones by focusing their practice in the areas of Estate Planning, Probate and Trust Administration, Elder Law including Medicaid and VA Planning and Special Needs Planning, Pet Planning, Business Succession Planning and Real Estate. The founders, Peggy Hoyt and Randy Bryan, are both dual board certified by the Florida Bar in Wills, Trusts and Estates as well as Elder Law. Hoyt & Bryan is the only law firm in Florida with the distinction of two attorneys with these certifications. We offer many complimentary educational workshops each week in our Learning Center at The Law Offices of Hoyt & Bryan and monthly workshops in the Auditorium of One Senior Place in Altamonte Springs. For more information please contact our office at 407-977-8080 or visit our website [HoytBryan.com](http://HoytBryan.com).