

# Q & A's

**Question:** What is a trust?

**Answer:** A trust is a legal agreement through which money or assets are given by one party to another person or entity – called a “trustee” – to hold and manage for the benefit of a specified person called the “beneficiary”. A “supplemental needs” trust is a type of trust used to assist people with disabilities that also can be used as an estate planning tool.

**Question:** Why consider the Center for Disability Services’ Pooled Supplemental Needs Trusts?

**Answer:** These types of trusts are used to supplement the needs of a beneficiary throughout his or her lifetime while maintaining eligibility for means-tested government benefits or support programs.

**Question:** How does the beneficiary access the funds held in trust?

**Answer:** The beneficiary or his or her representative may request a disbursement from the trust. The trustees will approve any eligible request.

**Question:** Who are the trustees?

**Answer:** There are 7 trustees, including designees of the Center for Disability Services.

**Question:** Are the funds in the Trust invested?

**Answer:** Yes, the funds are invested and professionally managed by KeyBank in accordance with an investment policy.

**Question:** What happens to any remaining trust funds at the end of the beneficiary’s lifetime?

**Answer:** For the third party trust, a minimum of 50% of the remaining assets go to the Center. For the self-settled trust, all of the remaining assets stay in the trust for use/distribution to individuals with disabilities receiving services from the Center.

**Question:** Will I receive a tax deduction if I establish an account in the trust?

**Answer:** No, a contribution to the trust does not constitute a charitable contribution for tax purposes because all of the funds potentially can be used to benefit the beneficiary, with no remaining assets passing to a charity. However, the donor of funds to the third party trust may be eligible for a tax deduction for the 50% of any remaining funds that go to the Center after the beneficiary’s death.

**Question:** How do I establish an account with the trust?

**Answer:** The Center will provide a Joinder Agreement, which allows you to establish a trust account by agreeing to a minimum

contribution of \$10,000 over a three year period. The minimum initial contribution is \$5,000 upon acceptance of the Joinder Agreement with the balance of the \$5,000 to be paid within three years.

**Question:** May a family member add to the trust account in the future?

**Answer:** Yes.

**Question:** Will I be provided statements regarding my account?

**Answer:** Yes.

**Question:** Are there any fees to establish and maintain a trust account?

**Answer:** Yes, but the fees are minimal and designed only to cover the costs of operating the trust. There is a \$250 fee to establish a trust account (this fee is waived for self-settled trust accounts that are being used to “spend down” excess income). For trust accounts with a value below \$25,000, there is a 3% annual administrative fee, with a \$50 minimum. The administrative fee increases to an additional 2% for the next \$75,000, and 1% for amounts over \$100,000. There is a monthly \$50 transaction fee for any deposits into, or withdrawals from, the trust account, with a \$500 annual cap for such fees. In addition, there are other ancillary fees, such as preparation of annual tax returns.

## CENTER FOR DISABILITY SERVICES - Pooled Income Trust(s)

### The trust can be funded by:

- A parent
- A relative
- Any other person
- The beneficiary with a disability

### The trust can be funded with:

- A lump sum Social Security payment
- A lawsuit award or settlement
- An inheritance
- Excess income (i.e., “spend down”)

### We offer two trust options:

A “third party” trust established by someone else to supplement the needs of the beneficiary throughout his or her lifetime, even after the donor is no longer living.

**OR**

A “self-settled” trust established by the individual with a disability to protect his or her assets and maintain eligibility for means-tested government benefits or support programs.

## CONTACT INFORMATION

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## POOLED SUPPLEMENTAL NEEDS TRUST

### MISSION STATEMENT

To enable and empower people,  
primarily those with disabilities,  
to lead healthy and enriched lives.

**Gregory Sorrentino, *President & CEO***

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