

Social Security Offices of Indiana

To whom it may concern:

An Arc of Indiana Master Trust account was set up and funded for the recipient referenced on the attached account statement.

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.

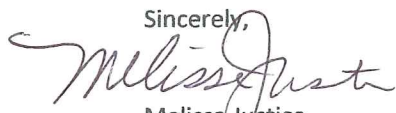
The Arc of Indiana is a non-profit association; for purposes of investment, the funds are pooled, but separate accounts are maintained for each beneficiary; the recipient's account is solely for his/her benefit; the account was established by the beneficiary; and, at death, if any funds remain in the account, after The Arc receives its retained share, the trust will pay to the state an amount equal to the total amount of medical assistance paid on behalf of the recipient through the Medicaid program.

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.

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.

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.

Sincerely,



Melissa Justice
Director