



THE CORPORATION OF **GUARDIANSHIP**

Umbrella Pooled Trust FAQ

What is a Pooled Special Needs Trust?

A Pooled Trust, also known as a "(d)(4)(C) trust," serves the same function as the other types of Special Needs Trusts in that it preserves the beneficiary's eligibility for public benefits, but with several notable differences. A Pooled Trust is established by a non-profit organization, with individual beneficiaries creating sub-accounts within the larger trust. All funds are managed as a pool and invested as one account. However, the profits and losses, additions and disbursements from each account are tracked separately.

How does the Corporation of Guardianship serve as trustee of a Pooled Trust?

In 2001, the Corporation of Guardianship established the Umbrella Pooled Trust. As trustee of the Umbrella Pooled Trust, CoG's fiduciary responsibilities are the same as those for other kinds of Special Needs Trusts. Additional responsibilities include:

- Completing and reviewing the documents associated with joining and maintaining participation in the Umbrella Pooled Trust;
- Handling the management of each Pooled Trust sub-account, including investing with financial institutions;
- Keeping detailed records of each beneficiary's sub-account and property;
- Providing account statements to each beneficiary;
- Making all disbursements for the benefit of the beneficiary;
- Managing the use of retained funds for the benefit of other individuals with disabilities.

When is a Pooled Trust used?

Here are some examples of when a Pooled Trust might be the most appropriate option:

- **THE BENEFICIARY IS OVER THE AGE OF 65:** Unlike First Party (d)(4)(A) Special Needs Trusts, which may be created only for those under age 65, Pooled Trusts may be for beneficiaries of any age.

- **THE BENEFICIARY CREATES THE TRUST HIM OR HERSELF:** A First Party (d)(4)(A) Special Needs Trust is created by a parent, grandparent, or legal guardian. It cannot be created by the beneficiary him or herself. A Pooled Trust may be created by the beneficiary.
- **THE TRUST IS FUNDED WITH A SMALLER AMOUNT OF MONEY:** By pooling contributions from many beneficiaries, the trust is able to make stronger investments. Most beneficiaries' funds could never perform as well in the financial market as those funds will perform when strengthened by their addition to a pool.
- **A TRUSTEE CANNOT BE FOUND:** Most banks and financial institutions require substantial minimum balances to establish a trust. Smaller trusts may be turned away by these institutions, but they can participate in a Pooled Trust. Because the pooled trust is managed by a non-profit organization, it is not necessary to find a trustee who is willing to manage the trust.

How do I join the Corporation of Guardianship's Umbrella Pooled Trust?

The process of joining the Umbrella Pooled Trust is relatively simple. When you're ready to join, you will sign a joinder agreement and pay a one-time nonrefundable enrollment fee. The joinder agreement links you or your loved one to the master trust provisions.

Do I need legal assistance to join the Umbrella Pooled Trust?

Because a Pooled Trust is a legal document, anyone interested in joining CoG's Umbrella Pooled Trust should consult with an attorney. We do not have any attorneys on staff, but we are happy to work with you and your attorney to assist you in completing the necessary forms to join the Umbrella Pooled Trust. For more information, contact us at 336.273.5389 or www.corpguard.org.

Where can I learn more about Pooled Trusts?

National Academy of Elder Law Attorneys
www.naela.org

Special Needs Alliance
www.specialneedsalliance.org

Special Needs Answers
www.specialneedsanswers.com