

Social Security

Official Social Security Website

SPOTLIGHT ON TRUSTS -- 2014 Edition

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As of January 1, 2000, the supplemental security income (SSI) law on trusts changed. This information applies to trusts established on or after January 1, 2000.



WHAT IS A TRUST?

A trust is a legal arrangement regulated by State law in which one party holds property for the benefit of another. In certain situations, a trust can be set up for an SSI recipient. A trust can contain:

- ▶ cash or other liquid assets; and
- ▶ real or personal property that could be turned into cash.

HOW DOES A TRUST AFFECT MY SSI BENEFITS?

If you use your assets to establish a trust on or after January 1, 2000, generally, the trust will count as your resource for SSI.

- ▶ In the case of a **revocable** trust, the whole trust is your resource.

- In the case of an **irrevocable** trust, if there are any
- ▶ circumstances under which payment could be made to you or for your benefit, the portion of the trust from which payment could be made is your resource.

See the SSI Spotlight on Resources for more information about

resources and SSI.

WHAT THINGS COUNT AS ASSETS AND ARE USED TO ESTABLISH A TRUST?

Assets usually include your:


- ▶ income (countable and excluded);
- ▶ resources (countable and excluded); and
- ▶ property or payments that you have a right to but do not receive.

ARE THERE ANY EXCEPTIONS TO THE LAW ON TRUSTS?

The law does not apply to:

- ▶ trusts under Section 1917(d)(4)(A) of the Social Security Act, which are often called "special needs trusts;" and
- ▶ trusts under Section 1917(d)(4)(C) of the Social Security Act, which are often called "pooled trusts."

We will also not count the trust if counting it causes you hardship, and you meet the undue hardship criteria.

Certain revocable trusts under Section 1917(d)(4)(A) or (C) of  the Social Security Act may still count as your resource.

HOW DOES MONEY FROM A TRUST THAT IS NOT MY RESOURCE AFFECT MY SSI BENEFITS?

- Money paid directly to you from the trust reduces your SSI benefit.

Money paid directly to someone to provide you with food or shelter reduces your SSI benefit – but only up to a certain limit.


No matter how much money is paid for these items, we subtract no more than \$260.33 (in 2014) from your SSI check for the month you receive the items.

Money paid directly to someone to provide you with items other than food and shelter does not reduce your SSI benefits. (Items that are not "food or shelter" include medical care, telephone bills, education, entertainment, etc.)


HOW CAN I FIND OUT MORE ABOUT SETTING UP A TRUST?

We cannot tell you how to set up a trust. You may consult a lawyer or financial advisor to find out more about trusts.

Your local Social Security office has a list of groups that can find you a lawyer or give you free legal services if you qualify. You may also contact the State or local bar association or the Legal Services Corporation for legal assistance if you qualify.

 Some trusts and trust payments that we do not count as your resources or income for SSI purposes can affect your Medicaid eligibility.

Contact your State if you need more information about how trust and trust payments can affect Medicaid eligibility.

 Additional rules apply to trusts established by representative payees. Your representative payee should contact the local Social Security office for more information.

THIS INFORMATION IS GENERAL.

FOR MORE INFORMATION, CALL 1-800-772-1213 (TTY 1-800-325-0778),
VISIT OUR WEBSITE (www.socialsecurity.gov) ON THE INTERNET,
OR CONTACT YOUR LOCAL SOCIAL SECURITY OFFICE.

