

**Enhancing Lives and Improving  
Outcomes Through Consumer Funds  
Management**

**Kim Goodwin  
Arlington Heritage Group, Inc.**



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*Celebrating*  
Over 30 Years of Service

# Arlington Heritage Group



## **Kim Goodwin**

**Brand and Communications Manager**  
**Arlington Heritage Group, Inc.**

Kim joined the team in 2018. She is responsible for branding and communications. Duties include nurturing the provider and client journey, training, education, and ensuring Arlington Heritage Group's message and benefits are clearly and consistently communicated.

Prior experience includes 20+ years marketing consumer packaged goods on a regional and national level, creating engagement thru traditional marketing channels, digital marketing and brand management.



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# Arlington Heritage Group



## **Ernest L. Petersen, III** **Senior Consultant** **Arlington Heritage Group, Inc.**

Ernie has served as a senior consultant since October 2020 and was appointed to the Arlington Heritage Group board of directors in May 2021.

Ernie retired from AmeriServ Trust and Financial Services Company in 2020. As the Chief Administrative Officer, he had been involved in the management of \$2.3 billion in assets under administration. His education includes a B. A. Degree from Washington and Jefferson College. He is a graduate of trust and fiduciary training with the Fiduciary Education Foundation, Cannon Financial Institute and the American Bankers Association. He has completed advanced lending and risk management classes with the Risk Management Association and real estate appraisal classes from the Appraisal Institute.



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# Arlington Heritage Group



## **Thomas G. Tirney** **President, Arlington Heritage Group, Inc.**

Tom brings 20 years of investment and financial management experience to Arlington Heritage Group's executive team and its trust services. Prior to joining in 2007, Tom worked at several financial firms in varying capacities of research and money management. In the 1990s Tom wrote for Standard & Poor's Equity Research department specializing in healthcare stocks. Subsequently, he was a research associate at ING Barings, focusing on biotechnology firms.

At American Century Investments, Tom rose to Senior Research Analyst supporting the Healthcare Fund, the Vista Fund and other diversified equity funds.

Tom has a B.S. in Business Administration from Boston University and holds designations for Chartered Financial Analyst (CFA), Certified Market Technician (CMT) and Chartered Special Needs Consultant (ChSNC).

# Arlington Heritage Group



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Arlington Heritage Group is a family-owned and operated business. Since 1986, its mission has been to offer convenient and low-cost financial services to the I/DD Community.

Arlington Heritage Group offers financial planning solutions through The Provider Trust, Special Needs Pooled Trust and its Irrevocable Burial Trust program.



The Provider Trust enables non-profit providers to maintain and build an individual's assets without jeopardizing eligibility for benefits.



The Irrevocable Burial Trust is a Pre-Need planning tool for families and Providers.



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## What we do.

We work exclusively with human service providers as a trust administrator, helping to safeguard consumer benefits with a business-to-business tool called The Provider Trust. The trust also helps providers to financially support those they serve that may not have resources.

## What we do together.

We safeguard benefits and build resources for those within the I/DD community, enhancing lives and improving outcomes.





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# Arlington Heritage Group

We manage trusts for human service providers and 501(C)3s.  
We currently work with over 100 providers nationwide.





# Exempt Resources in SSA POMS



- **Cash Resources**- up to \$2,000
- **Assets** – an individual's house, an individual's automobile, personal effects, keepsakes, jewelry, income
- **Life Insurance** – face value **OR** paid-up value, \$2,000 or less
- **Funeral Arrangements** – cemetery plot, irrevocable pre-paid burial, reserve accounts of \$2,000 or less
- **Other** – Educational Grants, Health Savings Accounts, Medical Savings Accounts, More...

# Exempt Resources in SSA POMS



- **Special Needs Trusts** - no limit on assets
- **Special Needs Pooled Trusts** – no limit on assets
- **ABLE Accounts**– \$15,000 per year, \$100,000 cap before benefits are affected and a lifetime cap which differs by state

***SIMILAR BUT NOT EQUAL***



## Exempt Resources: Cash > \$2,000

- Checking Account
- Savings Account
- Certificate of Deposit
- Brokerage Account
- Mutual Fund Account
- U.S. Savings Bonds
- IRA
- 401(K)
- SEP

***Restricted Accounts COUNT!***



# The Stimulus Check

- CARES Act: Qualified Individuals Received Economic Impact Payment, aka Stimulus Check:
- Federal Guidelines State That Stimulus Money Would Not Count Against the \$2,000 Resource Limit For 12 Months

<u>Issued</u>	<u>Amount</u>	<u>Will Count As Resource</u>
April 2020	\$1,200	April 2021
January 2021	\$ 600	January 2022
Mar/April 2021	\$1,400	March/April 2022

- This past August, this policy has been modified to extend the exempt status of stimulus money without an end date, but...



# Exempt Resources: Life Insurance

- Face Value OR Paid-In Value < \$2,000
- Counted as a Resource if Individual is Policyowner
- Don't have life insurance

***! WORST USE OF ASSETS UNDER \$2,000 !***



# Exempt Resources: Funeral Accounts

**Just Because Something Is Labeled “Irrevocable”  
Doesn’t Mean it is Compliant...**

- **Irrevocable Burial Accounts**
- **Irrevocable Burial CDs**
- **Burial Reserve Accounts**

***Individuals Can Still Be Penalized!***

# Exempt Resources: Funeral Accounts



## What Does The Social Security Administration Want?

### PREPAID BURIAL ARRANGEMENT

- The trustee is not permitted to pay for an individual's final expenses **before** the State.
- A purchased prepaid burial arrangement while the individual is alive is an appropriate expenditure.
- The arrangement needs to meet certain requirements (i.e., funds irrevocably paid to the funeral director).
- Burial space items are excluded: plots, headstones, etc.
- Be aware that an irrevocable "burial reserve account" will not meet this requirement (i.e., no purchase made) and still counts as a resource for SSI purposes (up to \$1,500 may be excluded).

***"Have a pre-paid funeral and make it irrevocable."***



# Employment & Income



- In spite of CoVID-19, there is increasing employment in I/DD population
- Must do away with the mindset that persons receiving SSI and Medicaid shouldn't have jobs or income

***Understand Financial Impact to SSI/Medicaid of Earnings***

# SSI and Medicaid Eligibility



- **Biggest concerns of individuals and caregivers**
  - **SSI payments are impacted after first \$85 gross earned per month**
  - **Medicaid benefits will remain if earnings are not high enough to replace SSI and Medicaid benefits, and meet 1619(b) eligibility:**
    - Have been eligible for an SSI cash payment for at least 1 month;
    - Still meet the disability requirement; and
    - Still meet all other non-disability SSI requirements; and
    - Need Medicaid benefits to continue to work; and
    - Have gross earnings that are insufficient to replace SSI, Medicaid and publicly funded attendant care services.

Source: <https://secure.ssa.gov/apps10/poms.nsf/lnx/0502302200>

## LIST OF 1619b THRESHOLD AMOUNTS FOR CALENDAR YEAR 2020

### State Threshold Amounts for Disabled Individuals

RANK	STATE	THRESHOLD
1	CONNECTICUT	66,740
2	MINNESOTA	53,840
9	VERMONT	42,159
17	INDIANA	38,794
28	KANSAS	35,925
41	MONTANA	32,887
48	KENTUCKY	31,106
51	ALABAMA	28,114

Many individuals don't earn enough at part-time hours to come close to these thresholds

# SSI and Medicaid Eligibility



## LIST OF 1619b THRESHOLD AMOUNTS FOR CALENDAR YEAR 2020

### State Threshold Amounts for Disabled Individuals

RANK	STATE	THRESHOLD
33	COLORADO	34,484
41	MONTANA	32,887
4	NORTH DAKOTA	47,842
23	SOUTH DAKOTA	37,055
32	UTAH	34,774
21	WYOMING	37,443

# SSI and Medicaid Eligibility



## It Pays to Work

Even with a reduction in SSI benefits due to income earned, people most often have more money. Without losing Medicaid benefits!

Earned Income/Month	Countable Income	Amount Reduced From SSI	Amount of SSI Received	Total Monthly Earnings	Annual Earnings
<i>Earnings</i>	<i>Earning -\$85*</i>	<i>Countable Income / 2</i>	<i>SSI Balance Received</i>	<i>Earnings + SSI</i>	<i>Total Earnings x 12</i>
\$ -	\$ -	\$ -	\$ 794	\$ 794	\$ 9,528
\$ 85	\$ -	\$ -	\$ 794	\$ 879	\$ 10,548
\$ 200	\$ 115	\$ 58	\$ 737	\$ 937	\$ 11,238
\$ 500	\$ 415	\$ 208	\$ 587	\$ 1,087	\$ 13,038
\$ 775	\$ 690	\$ 345	\$ 449	\$ 1,224	\$ 14,688
\$ 800	\$ 715	\$ 358	\$ 437	\$ 1,237	\$ 14,838
\$ 900	\$ 815	\$ 408	\$ 387	\$ 1,287	\$ 15,438
\$ 1,000	\$ 915	\$ 458	\$ 337	\$ 1,337	\$ 16,038
\$ 1,673	\$ 1,588	\$ 794	\$ -	\$ 1,673	\$ 20,076
\$ 2,000	\$ 1,915	\$ 958		\$ 2,000	\$ 24,000
\$ 3,000	\$ 2,915	\$ 1,458		\$ 3,000	\$ 36,000
\$ 3,200	\$ 3,115	\$ 1,558		\$ 3,200	\$ 38,400

\*\$85 is monthly limit that does not impact SSI

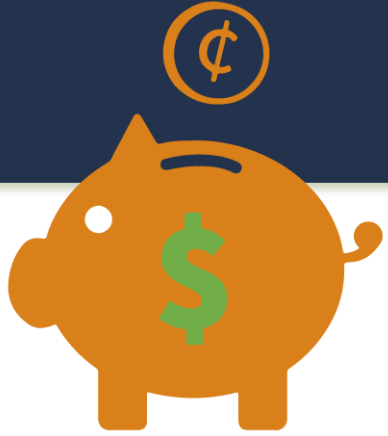
# SSI and Medicaid Eligibility



SSA Red Book 2021 - <https://www.ssa.gov/redbook/>

## SSI Employment Supports -

The SSI employment supports offer ways for you to continue receiving your SSI checks and/or Medicaid coverage while you work. Some of these provisions can increase your net income to help cover special expenses. Once you receive SSI, we consider that your disability continues until you medically recover, even if you work. If you cannot receive SSI checks because your earnings are too high, your eligibility for Medicaid may continue while you are working. In most cases, **if you lose your job or are unable to continue working, you can begin receiving checks again without filing a new application.**



# Exempt Resources: Trusts & ABLE

- **Similar Instruments**
- **Maintain Eligibility**
- **Flexible**
- **Each Have Their Own Limitations**

# The ABLE Act: ABLE Accounts



- **Achieving a Better Life Experience Act**
- **Federal law, implemented by the States**
- **Qualified Savings Account; Preferred Tax Treatment**
- **Exempt resource as per SSA and MA**

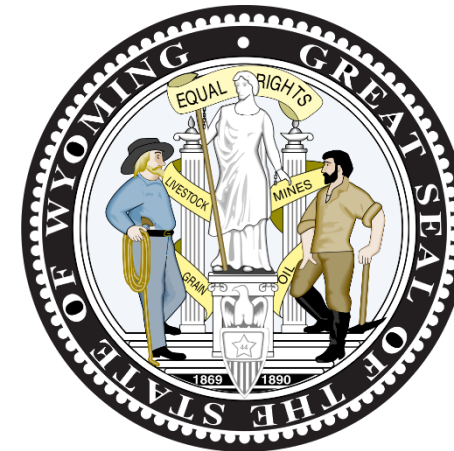
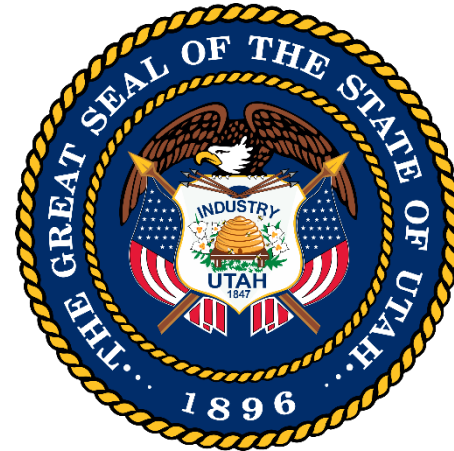
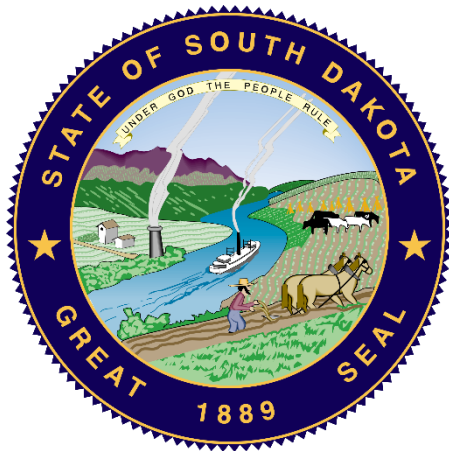


# Guidelines

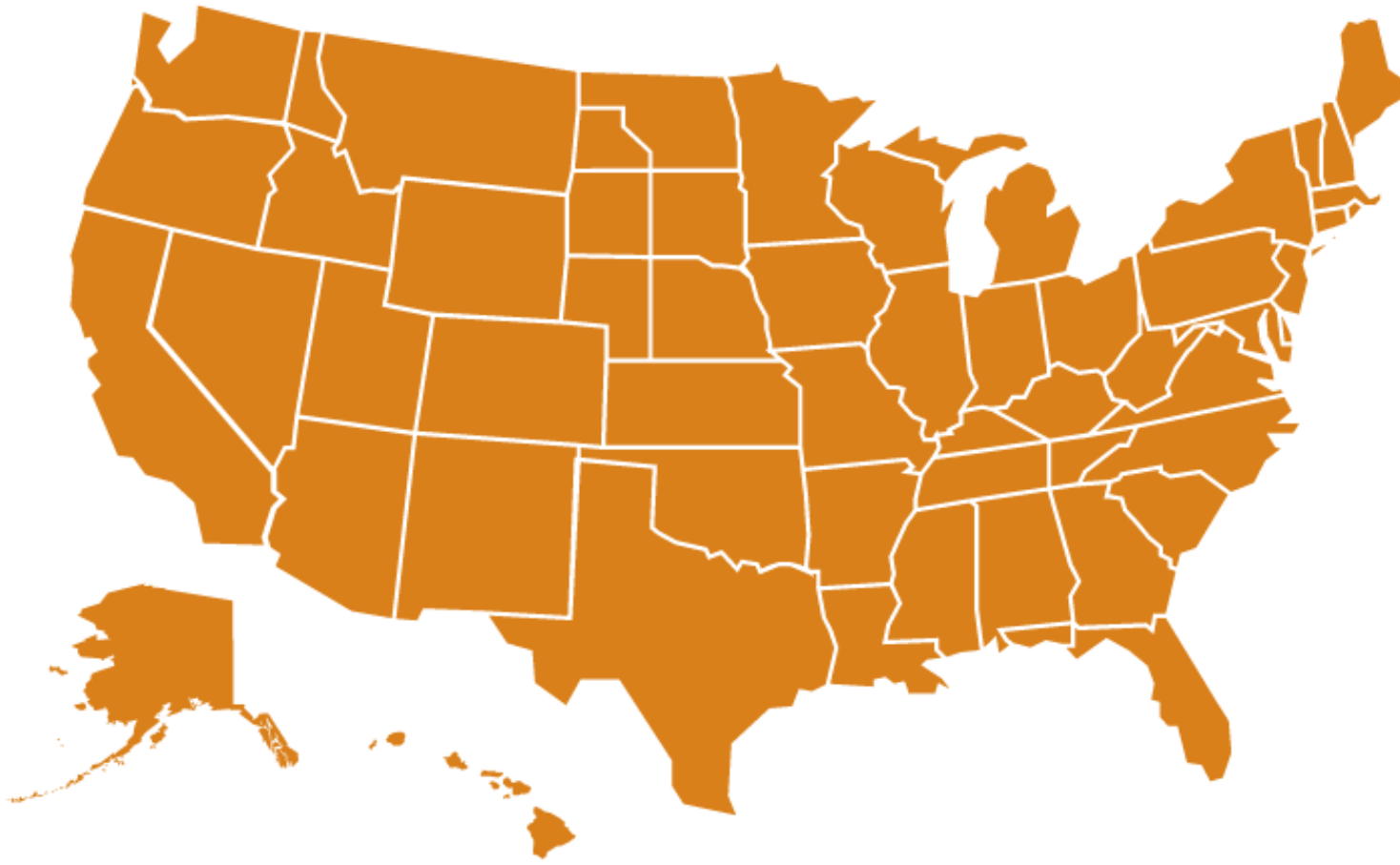


- Account holder disabled by Title II or Title XVI SSA
- Disabled before age 26
- One ABLE account per person
- Parent, guardian, POA or individual may open account
- \$15K per year; max at \$100K or benefits affected
- Upon death of accountholder, funds can be claimed by MA

# Where Are You?



# The ABLE Act: Current State Programs



**43 States & DC Have Implemented the Program:**

**AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, IL, IN, IA, KS, KY, LA, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, OH, OK, OR, PA, RI, SC, TN, TX, VT, VA, WA, WV, WY**

# Special Needs Trusts and Pooled Trusts

- **D(4)a vs D(4)c**
- **One Trustee, One Account vs. One Trustee, Many Accounts**
- **Both can be created by parent, grandparent, guardian, court or the individual.**
- **D(4)a can be expensive, tends to be for estate planning**
- **No max for either.**
- **Upon death of accountholder, D(4)a funds can be claimed by MA**

# Special Needs Pooled Trusts: Legal Guidelines



- **The Trustee must be a non-profit 501(C)(3) entity**
- **Individual with the trust account must be disabled as per SSI criteria**
- **Individual trust must be created by a parent, grandparent, guardian, court, or the person him/herself.**
- **Funds placed into the trust must be irrevocable and therefore do not count as an SSA resource.**
- **Money in the trust can only be used for the sole benefit of the individual**

# Special Needs Pooled Trusts: Legal Guidelines

## Some Examples of Permissible Distributions That Benefit The Individual

- Appliances (plus maintenance/repairs)
- Dental & Optometry
- Bus Pass/Public Transportation
- Clothing
- Courses & Classes
- Education, Classes, Computers
- Elective Surgery
- Furniture & Home Furnishings
- Musical Instruments (including lessons and sheet music)
- Over The Counter Medications (including vitamins and herbs, etc.)
- Pets & Pet Supplies
- Tickets to Concerts & Sporting Events
- Travel, Vacations, Day trips

# Special Needs Pooled Trusts: Legal Guidelines

## Some Examples of Prohibited Distributions

- **Items or Services That Are Covered By Received Benefits**
- **Rent/Mortgage Payment (Shelter)**
- **Food (Weekly Groceries)**
- **Cash**












# Comparisons

	<b>ABLE Accounts</b>	<b>Special Needs Trust (d)(4)(a)</b>	<b>Special Needs Pooled Trust (d)(4)(c)</b>
<b>Beneficiary</b>	Named Person with disability eligible for SSA services	Named Person with disability eligible for SSA Services	Named person with disability eligible for SSA Services
<b>Settlor</b>	Individual, parent, or third party	Parent, grand, guardian or court of law	INDIVIDUAL, parent, grand, guardian or court of law
<b>Trustee</b>	No Trustee; any individual including beneficiary, parent, others that have guardian status or power of attorney	Any individual, corporate, or non-profit institution	Non-profit institution
<b>Legislation</b>	ABLE Act, 2014	OBRA Act 1993	OBRA Act 1993
<b>Source of Funds</b>	Individual's assets, parent's, third-party	Individual's assets, parent's, third-party	Individual's assets, parent's, third-party

# Comparisons

	<b>ABLE Accounts</b>	<b>Special Needs Trust (d)(4)(a)</b>	<b>Special Needs Pooled Trust (d)(4)(c)</b>
<b>Age</b>	Disabled by age 26	No age restriction Except 65+	No age restriction Except 65+
<b>Assets</b>	\$15,000 per year	No max or cap	No max or cap
<b>Distributions</b>	Sole benefit Qualified expenses	Sole benefit Not otherwise reimbursed by SSA or Medicaid	Sole benefit Not otherwise reimbursed by SSA or Medicaid
<b>Impact on Benefits</b>	Not a resource, up to \$100,000	Not a resource 65+ look back for Medicaid in some cases	Not a resource 65+ look back for Medicaid in some cases
<b>Death of Beneficiary</b>	Payback to state for Medicaid funded services	Payback to state for Medicaid funded services	Partial or no payback to state for Medicaid funded services. Remainder funds to be used for other individuals in the trust who are disabled by SSA criteria

# Special Needs Pooled Trusts Vs. ABLÉ Accounts

SNPT		ABLE Account
✓ A fully compliant and transparent business-to-business solution		Individuals go it alone. Providers do not have easy access to this financial tool
✓ Individual accounts can be established by a parent, grandparent, guardian, court or individual		✓ Can be established by a parent, power of attorney or individual
✓ Managed by the provider, supported by Arlington Heritage Group		Managed by individual, parent or power of attorney, not the provider
✓ Age of disability is irrelevant.		Must be blind or disabled prior to age 26
✓ No maximum annual contribution		Annual contribution maximum is \$15,000
✓ Withdrawals can be made for any expense that benefits the person and is not taxable		Qualifying expenses are tax free, non-qualifying expenses result in regular income tax plus 10% surcharge
✓ No maximum limits for Medicaid or SSI		Medicaid: Not countable SSI: Maximum account value of \$100,000
✓ Trust distributions do not count as income and are not taxable		ABLE distributions do not count as income for Medicaid/SSI, but may still be taxable income
✓ Not subject to DHS/Medicaid payback		Subject to DHS/Medicaid payback

- Age Limitations
- Annual/Lifetime Contribution Restrictions
- Tax Implications
- SSI Eligibility Issue
- Medicaid Payback



# Underappreciated Techniques

- **An individual's house, if they own it and live in it, is exempt.**
  - **This type of asset to manage is usually a labor intense process**
  - **Typically it will involve the work and effort of a person's family and/or extended family, as well as the provider**
  - **A plan must be made for how maintenance, costs, and upkeep will be paid for over time**



# Underappreciated Techniques

- **An individual's car is exempt whether the individual can drive or not.**
  - **An Individual Need Not Be Able To Drive**
  - **An Individual Doesn't Need To Have A Driver's License**
  - **Car Purchases Can Be Utilized By Families & Providers In An Acute Spend-Down Situation**
  - **Car Ownership And Maintenance Is Straightforward Among Families, Not So With Providers**

# Have a Plan



- Policy
- Control
- Transparency

**Experiment**



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# More Presentations

- **Resolving Challenges Of Mobility:**  
Individual Car Ownership
- **Managing Unique Challenges For Clients In The Workplace:**  
A Guide For Employment
- **Aging In Place:**  
Coming Soon

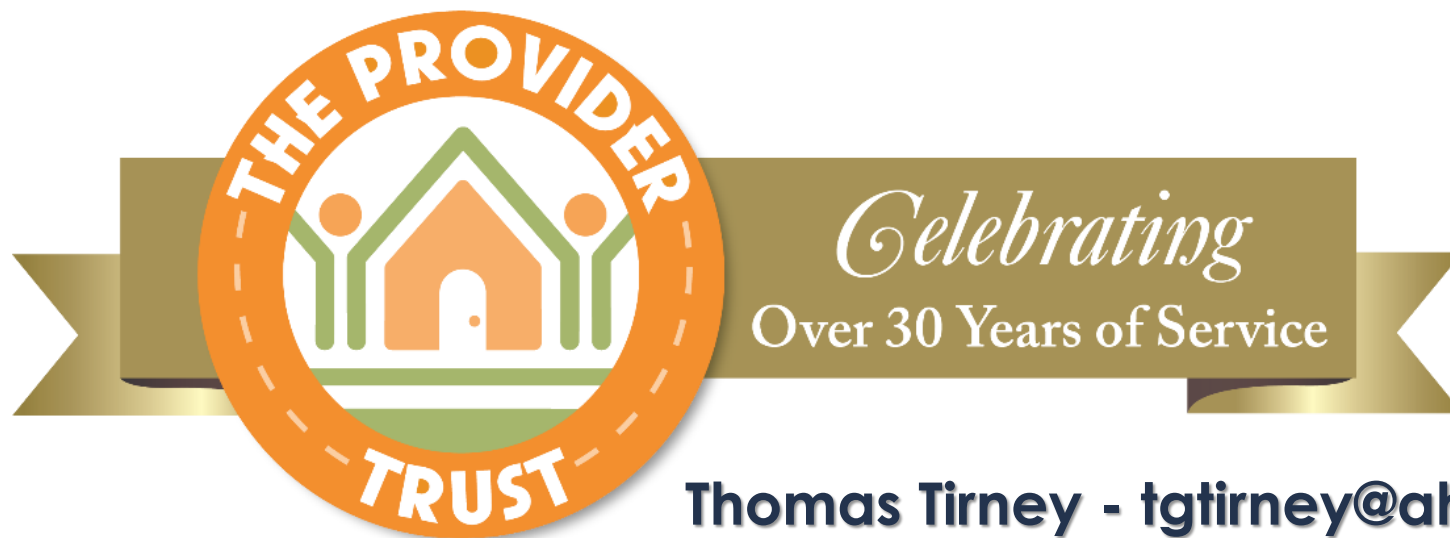




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**Question and Answer Segment** *Celebrating*  
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