

## RESOURCES

### TRUST FUNDS

**Description:** A trust is a legal instrument by which an individual gives control over his/her assets to another (the trustee) to disburse according to the instructions of the individual creating the trust.

**Policy:** Trust funds are real or personal property held by a party known as the trustee. The trustee has the duty of administering such funds or property for the benefit of the beneficiary of the trust. The beneficiary does not own trust funds, either private or established by court order. They are under the control of a trustee who must carry out the conditions of payment as specified in the trust.

Trusts must be evaluated to determine if there is any countable income and/or resources and to determine if there has been a transfer of assets for less than fair market value. The treatment of trusts depends on who established the trust and what type of trust it is.

<b>References:</b>	SSL Sect.	366.2(b)
	Dept. Reg.	360-4.4 360-4.5
	ADMs	04 OMM/ADM-6 96 ADM-8 92 ADM-45 89 ADM-45 88 ADM-32
	INFs	05 OMM/INF-1
	GISs	08 MA/020

**Interpretation:** There are a number of different types of trusts, including escrow accounts and investment accounts.

Exception Trusts – Exception trusts are trusts established on or after August 11, 1993, which are required to be disregarded as available income and resources for the purposes of determining Medicaid eligibility. Income diverted directly to an exception trust or income received.