

**PRESENTED AT****14<sup>th</sup> Annual Changes and Trends Affecting  
Special Needs Trusts**

February 15-16, 2018

Austin, Texas

**The Arc of Texas Master Pooled Trust:  
Difference and Resources****Haley D. Greer**

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## **1. Introduction**

The Arc of Texas Master Pooled Trust was established by a group of disability advocates, organizations and attorneys who worked together to provide Texas a pooled trust option. After several years and copious amounts of hours, The Arc of Texas Master Pooled Trust opened the first sub-account in May of 1997. Since inception, The Arc of Texas Master Pooled Trust has served more than 2500 Texans with disabilities. Currently, The Arc of Texas Master Pooled Trust has almost 1700 active, funded sub-accounts with assets in excess of 88 million dollars.

## **2. Pooled Trusts**

Through the Omnibus Budget and Reconciliation Act of 1993, pooled trusts were determined to be exempt assets for Social Security and later Medicaid purposes. Often called d4c trusts, pooled trusts are codified in 42 USC 1396p(d)(4)(C) stating:

(C) A trust containing the assets of an individual who is disabled (as defined in section 1614(a)(3)) that meets the following conditions:

- (i) The trust is established and managed by a nonprofit association.
- (ii) A separate account is maintained for each beneficiary of the trust, 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)) by the parent, grandparent, or legal guardian of such individuals, by such individuals, or by a court.
- (iv) 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 plan under this title.

There are pooled trusts in most states and several that serve multiple states. The Arc of Texas Master Pooled Trust only serves individuals who are residents of Texas at the time the trust sub-account is established.

### **3. The Arc of Texas Master Pooled Trust Basics**

The Arc of Texas serves as the Manager of the Trust. As Manager, The Arc of Texas handles the day-to-day operations of the Master Pooled Trust. This includes:

- Helping individuals with disabilities and their families establish pooled trust sub-accounts within the Master Pooled Trust. (Please note, it is recommended that individuals and families consult with an attorney before establishing a Master Pooled Trust sub-account)
- Maintaining all contact with Beneficiaries, Primary Representatives, family members, attorneys, judges and/or other interested parties about the sub- accounts.
- Receiving and processing all contributions to sub-accounts.
- Reviewing and making all determinations about disbursements from sub- accounts.
- Sending the appropriate information to the Trustee for payment.
- Closing sub-accounts.

As of January 1, 2018, Providence First Trust Company serves as Trustee of the Master Pooled Trust and JPMorgan serves as the financial administrators and investment managers of the Trust.

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## Title search: The Arc of Texas Master Pooled Trusts: Differences and Resources

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First appeared as part of the conference materials for the  
14<sup>th</sup> Annual Changes and Trends Affecting Special Needs Trusts session  
"The Arc of Texas Master Pooled Trusts: Differences and Resources"