

Support Trusts

Setting up a Trust Fund on Behalf of an Individual Living with a Disability

Families and/or individuals may set up a Trust Fund, on behalf of a person *over the age of 18 years*, living with a disability and who requires supportive services. These funds will not affect the individual's eligibility for financial support from the Department of Human Resources, Labour and Employment (HRLE) and/or the Department of Health and Community Services (HCS).

What is a Support Trust?

A Support Trust is a Trust Fund, where the assets and the annual interest are considered exempt when determining eligibility for Income Support provided by HRLE and disability related support provided by HCS.

Who can establish a Trust Fund?

In most cases, at least three people are involved when a Trust Fund is established:

- the **settlor** who creates the Trust Fund;
- the **trustee** whose duty is to carry out the terms of the trust; and
- the **beneficiary** for whose benefit the Trust Fund has been established.

When setting up the Trust Fund, it is important that the person/family consult with a lawyer and/or financial planner, from the beginning to ensure the best interests of the beneficiary are addressed in the terms of the trust.

How do I ensure the Support Trust does not affect eligibility for Income Support or Home Support Services?

In order to have a trust fund considered a Support Trust, *the beneficiary must be a person requiring supportive services*. The Trust Fund, including income generated from the Trust Fund, is to be used to help offset the exceptional expenses experienced by a person living with a disability which are not covered through programs provided by HRLE or HCS. (clothing, communication devices, recreational pursuits, renovations and vehicle modifications, etc.)

What conditions are required to ensure the Trust Fund is considered exempt?

To ensure the Trust Fund is used for its intended purpose, a minimum of two per cent of the capital plus the annual interest must be spent annually to purchase items and/or services for the recipient (beneficiary).

The trustee is required to maintain records outlining the financial situation of the trust and report to the agency providing the financial support on an annual basis.

Further information on next page...

What are the Support Trust exemptions?

The *maximum exemption limit* for a Support Trust is set at \$100,000 in liquid assets (including capital and interest) at any given time. This maximum amount can be obtained through one or multiple contributions.

The *maximum exemption limit* is reduced to \$25,000 when the individual moves from living independently to a personal care/community care home. The exemption will cease to exist if the individual moves into a nursing home facility.

Why establish a Support Trust?

Many parents of children with disabilities who require supportive services and who are currently receiving financial and other supports from Government, have expressed concern about planning for the future of their children. While the supports provided by Government would still continue, the other supports provided by families to meet the lifestyle needs of their adult children, also need to continue. Establishing a Support Trust is one option available to ensure there is financial support to meet these needs.

A Support Trust enables parents to invest in their children's future well-being. The Support Trust will be used to meet the lifestyle needs of their adult children without their children losing access to financial and other supports provided by Government.

For more information on Support Trusts please contact your local
Human Resources, Labour and Employment District Office.

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