

## LSS POOLED TRUST

# Understanding Qualifying Expenses and Disbursements

Understanding which expenditures may be permitted from a beneficiary's Trust can be complicated. Here are a few simple rules to remember:

- All disbursements from a Trust must be pre-approved and are subject to the discretion of the Trustee.
- A Trustee takes into consideration many aspects affecting the beneficiary, such as how much money is in the Trust, age of the beneficiary, special circumstances of the beneficiary, Social Security Income and Medicaid regulations.
- Request for Trust expenditures may only be requested as payment to third-party vendors; payment is never paid directly to the beneficiary.
- All expenditures must be verified by an invoice or receipt.

### Examples of Qualifying Expenses a Trust CAN Pay:

*This list is meant to provide examples only and is not all-inclusive. Not all items are appropriate for all beneficiaries.*

#### Education/Vocational:

- Computer/Printer/Software
- Education or training

#### Household:

- Accessibility: modifications to a home that enhance accessibility
- Appliances
- Deposit to purchase a home or full payment for a home
- Electronic equipment
- Furniture
- Home maintenance
- Homeowner's or renter's insurance
- Household supplies and equipment
- Telephone

#### Personal/Medical Care:

- Clothing
- Dental/Dentures (not covered by another source)
- Durable medical equipment (not covered by another source)
- Glasses/Contacts/Vision screenings (not covered by another source)
- Hair care
- Hearing aids (not covered by another source)
- Massage
- Over-the-counter medications
- Vitamins/Supplements

#### Recreation:

- Cable television
- Entertainment
- Memberships (gym, clubs, organizations, etc.)
- Pets and supplies
- Subscriptions to publications and online resources
- Vacation costs, including transportation, lodging and food

#### Transportation:

- Accessible transportation (non-medical)
- Auto insurance
- Bus pass
- Gasoline
- Vehicle purchase/maintenance

#### Services:

- Alternative therapies or treatments (not covered by another source)
- Attorney services
- Companion services
- Guardian or Conservator services
- Prepaid burial expenses: burial expenses on the death of a beneficiary cannot be paid with Trust funds



### **Examples of Expenses Typically NOT Permitted:**

- Cash or cash equivalents cannot be given directly to the beneficiary
- Firearms
- Food or groceries, eating out at restaurants, fast food, etc. (except while on a trip)
- Gambling, lottery tickets, gifts of any kind, pawned items or items that can be considered a resource
- Mortgage payment, rent payments
- Services or items for which the beneficiary is entitled to receive payment through another program, such as prescription medication that should be paid by Medicaid
- Third-party benefits: payment for anything which primarily benefits someone other than the beneficiary, such as gifts to family members
- Utility bills, property taxes, homeowner or condo fees, unless property is held in Trust

Different disbursement rules may apply to minor beneficiaries due to parental duty and obligations of support.

These are general rules. Distributions are based on each person's unique benefits. Each request will be reviewed on a case-by-case basis.