

STETSON LAW

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2026 Social Security and Supplemental Security Income (SSI) Program Update

Presented by Ken Brown and
Jennifer Burdick
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Center for Excellence in Elder Law

ACCESS AND JUSTICE FOR ALL®

2026 Social Security and Supplemental Security Income (SSI) Program Update

TABLE OF CONTENTS

TRUMP ACCOUNTS

Introduction....3
Annual Contribution Limits and Who Can Contribute....3
How are These Accounts Invested?....3
Growth Period....4
Post-Growth Period....4
Age 17 TA - ABLE rollovers....5

SSA AND ARTIFICIAL INTELLIGENCE (AI)

What AI is Being Used for Now?....5
AI & Phones....7
AI and Adjudication....7

ACCESSORY DWELLING UNITS

Introduction....8
Ownership Issues Related to Accessory Dwelling Units....9
Single Property Ownership....10
Co-Ownership and Family Arrangements....10
Title and Financing Concerns....10
Inheritance and Estate Planning....10
Zoning, Land Use and Property Rights Disputes....10
Why Ownership Matters for SSI Benefits....11
Home Exclusion....11
ISM....11
Trust Management....12
Possible Solutions for the Ownership Issue....12
Equitable Ownership....12
Condominium or Separate Ownership Structures....12
Life Estate....13

How a Partial Life Estate Works....14
Key Advantages....14
Critical Risks & Limitations....14
A Few Notes on Tiny Houses....15
Use of Land....16

POOLED TRUST MANAGEMENT PROVISIONS

Pooled Trust Management Provisions....16
The Trust Must be Established and Managed by a Non-Profit Association....16
Successor Trustees and Co-Trustees....18

APPENDICES

Appendix A – POMS SI 01120.250 Trump Accounts (TAs**)**....20
Appendix B – Congressional Research Service (Library of Congress) Report on Trump Accounts....28
Appendix C – POMS SI 01120.225 Pooled Trusts Management Provisions....28

Social Security and SSI Update 2026

TRUMP ACCOUNTS

Introduction

A Trump Account (TA) is a tax-advantaged investment account established for children. A type of traditional Individual Retirement Account (IRA), TAs have special rules that change depending on the TA beneficiary's age. TAs have two primary periods:

- Growth period, which begins with the establishment of the initial TA and ends on December 31 of the calendar year in which the TA beneficiary attains age 17; and
- Post-growth period, which is effective January 1 of the calendar year in which a TA beneficiary attains age 18 and continues thereafter.

TAs are established for the benefit of children and may be funded with first-party and third-party contributions. The parent, guardian, or other authorized individual who completes an election form to open a TA is generally the responsible party and account custodian for the Trump account. Generally, in 2026, up to $5,000 (adjusted for inflation) can be contributed per year per child, and contributions are invested in low-cost index funds. A TA beneficiary may only have one TA funded at a time.

Every US citizen born between January 1, 2025 and December 31, 2028 is eligible for a one-time $1,000 government seed contribution if the account is established before the year they turn 18. This contribution does not count toward the annual $5,000 contribution limit.

Annual Contribution Limits and Who Can Contribute

- $5,000 per year total per child (indexed for inflation after 2027).
- Anyone can contribute: parents, guardians, family, friends and even the child when older.
- Employers can contribute up to $2,500 per year for an employee’s dependent child, excluded from the employee’s taxable income.
- Charities and government entities may also contribute to groups of eligible children, sometimes without counting toward the $5,000 annual limit.

How are These Accounts Invested?

- The accounts during the “growth period” (period prior to the beneficiary turning 18) are limited to investing in mutual funds/ETFs that track to a qualified index with at least 90 percent US company weighting (e.g., S&P 500), do not use leverage and

have annual fees/expenses below 0.1 percent. Cash and money market funds are not permitted.
- The intention of this rule is to encourage long-term market exposure and compound growth rather than short-term trading.
- This long-term investing structure, paired with consistent funding and compound returns, gives these accounts significant growth potential over many years.
- Trump Accounts will initially be created and held with Treasury's designated financial agent. Eventually, parents or guardians should be able to transfer the full balance to a preferred brokerage firm through a trustee-to-trustee rollover.

Growth Period

Prior to January 1 of the year the TA beneficiary attains age 18 (growth period):

- The entire value of a TA is not considered a resource for SSI purposes.
- Distributions from the TA generally are not permitted. The following do not count as distributions:
    - a rollover to another TA during the growth period;
    - a rollover to an ABLE account when permitted during the calendar year of age 17 attainment (referred to in this section as the "Age 17 TA-ABLE rollover");
    - removal of excess contributions over the annual limit; and
    - distributions upon the death of the TA beneficiary.
- Contributions made directly to the account are generally not considered income; however, a TA beneficiary cannot avoid income counting by direct depositing funds into a TA. For example, a TA beneficiary could not have their Social Security benefits direct deposited into a TA to prevent them from counting as unearned Social Security income for SSI purposes.

  NOTE: A beneficiary or recipient with a representative payee cannot have their Social Security or SSI payments paid via direct deposit into a TA during the growth period when distributions generally are not permitted. Due to TA distribution restrictions, the representative payee generally would not be able to use the benefits to provide for the beneficiary's current needs.

Post-Growth Period

Beginning January 1 of the calendar year the TA beneficiary attains age 18 (post-growth period):

- The TA is a countable resource. The value of the TA is the amount of money that the TA beneficiary can withdraw from the TA after any penalty for early withdrawal (i.e., early distribution tax).
- Distributions of TA funds are not income, but a conversion of a resource.

- Contributions to a TA are income or a conversion of a resource, depending on the source of the contribution.

  For instance:

  - If a TA beneficiary transfers money from their savings account into their TA, the contribution is a conversion of a resource, changing form from a financial institution account resource to a TA resource.

    Example: On 1/15/27, a TA beneficiary transfers $500 of existing account funds from their savings account to their TA. For SSI purposes, on 1/1/27, $500 is counted as a financial account resource. On 2/1/27, $450 is counted as a TA resource ($500-10% early withdrawal penalty=$450).

  - If a TA beneficiary's parent deposits a $1,000 "graduation gift" into the TA, the $1,000 is unearned income in the month of deposit.
  - If a TA beneficiary direct deposits $200 of their paychecks into their TA, each $200 deposit is earned income in the month of deposit.

  Contributions are a countable TA resource beginning the following month.

Age 17 TA - ABLE rollovers

During the calendar year a TA beneficiary attains age 17, TAs are eligible for the age 17 ABLE rollover. Through a trustee-to-trustee transfer, the entire balance of the TA may be rolled over to an ABLE account for the TA beneficiary. The rollover is an exception to TA distribution rules and ABLE contribution limits.

Through the TA-ABLE rollover, the TA, which is considered an asset that is not a resource for SSI purposes, is transferred to an ABLE account. Up to $100,000 in an ABLE account may be excluded from resource counting. The TA beneficiary does not receive countable income as a result of this transaction.

Important: All TA funds that are not rolled over to ABLE accounts during this period will become countable TA resources effective January 1 of the following year (i.e., the year in which the TA beneficiary attains age 18).

SSA AND ARTIFICIAL INTELLIGENCE (AI)

Introduction

SSA has acknowledged the transforming potential of AI. It aspires to “amplify the potential of AI while protecting sensitive data and mitigating the associated risks and limitations.” SSA, Enterprise Artificial Strategy Report, 2025.

Where's SSA in its AI journey? SSA released its *Enterprise Artificial Intelligence Strategy Report* in late 2025. In it, SSA reported that SSA is at a level 2 out of 5 on its AI Maturity Assessment. Id. At. 3. A level 2 is defined as "Established-Some processes are planned and executed in accordance with policy but are in early stages of development. Processes are not used across all organizational areas." SSA is targeting an AI maturity of 3 by the end of 2026 and fur by the end of 2030.

SSA is obligated to disclose its AI projects on an AI inventory. Expert Dave Wittenburg analyzed SSA's list of current and upcoming AI tools, summarizing: "SSA's AI inventory suggests a portfolio shaped by operational fragmentation rather than a single unified AI architecture. The agency's highest-impact tools remain concentrated in benefits processing and disability adjudication, where classical predictive models support triage, review, prioritization, and quality control. At the same time, generative AI is spreading across policy search, vocational analysis, coding, training, HR, customer service, and internal productivity. Taken together, the inventory shows AI being used as a bridge across legacy systems, document-heavy workflows, and dispersed policy/data assets. The pattern is not simply fragmented AI; it is AI being layered onto a fragmented operating environment, with governance and documentation varying substantially by risk level and business function."

In the Enterprise Report, SSA described where it hopes to go and its strategic focus areas that are driving SSA's future implementation of AI. To expand AI use, SSA reports it needs to standardize its processes, follow them, and tailor them to broader needs. Because SSA's legacy system is so outdated, SSA's AI focus also involves targeting "inhibitors to successful AI implementation."

How will it do that? SSA has an AI Governance Board to provide leadership and oversight while ensuring AI priorities align with SSA's goals. This board is tasked, among other things, to make decisions on "high-risk use cases." SSA also has a Responsible AI Core Team that drafts and communicates governance standard for AI and provides assistance and advice on use cases. Enterprise Report at 9. SSA warned that to accomplish their objectives, they would need Role Based AI-training across the organization. Notably, SSA explained:

"The proliferation of AI tools at SSA will be complimented by our customer service agents and front-line employees learning how to extract the most value from these tools while remaining aware of their limitations for the customer service experience. Leaders need to be aware of the capabilities and limitations of various AI tools and users need to understand when, where, and how to apply them. The agency will identify both online self-paced and in-person AI training to upskill employees in technical, managerial, and AI user

roles. A culture that embraces AI fluency is essential to accomplish our AI vision." Enterprise Report at 5.

What AI is Being Used for Now?

- **AI & Phones:**

SSA launched a new telecom platform with expanded self-service initiatives. As of February 2026, SSA reported reduced wait times (to 8 minutes) as a result. Additionally, SSA reports that 75% of inquiries are now resolved/addressed via automation, according to Press Officer Barton Mackey. Id.

Some of the changes around SSA's phone answering service is due to the implementation of AI. **SSA's FY 2025-2026 plan** indicated they were going to use AI tools to improve the interactive voice response and push the chatbot which was built from SSA's website FAQs.

- **AI and Adjudication:**

SSA is using AI in its disability adjudications. The AI adjudication tool that SSA has discussed publicly the most is IMAGEN (Intelligent Medical Language Analysis Generation). IMAGEN is now being used in Disability Determination Services across the country. This tool is described to be is like Instagram for medical evidence. It converts all the records into a format that can be searched and analyzed. DDS adjudicators use this in order to search records for key words. IMAGEN will also flag when is it is 80% likely someone will meet a listing and highlight the evidence where it finds the support.

Another tool is HeaRT (Hearing Recording and Transcription). This tool was rolled out in March 2025 described a "modernizing the hearing transcription process." This system uses AI to create more accurate automated transcripts.

A predictive modelling tool called Quick Disability Determination (QDD), is being used to screen initial applications to find cases where there is a high likelihood of a favorable determination.

SSA also rolled out the VAAT (Vocational Assessment Assistance Tool) in late 2025 or early 2026. This is an AI tool developed by SSA designed to assist DDS examiners during Steps 4 and 5 in the sequential evaluation, to answer questions of whether a particular claimant can return to their past work (step 4) or do any other competitive, full-time work in the country (step 5). This tool was intended to help adjudicators find the most accurate DOT codes for past work and complete a transferable skills analysis. It also helps identify if there are appropriate medical-vocational rules that apply (GRIDS).

Based on reports, this was rolled out as a mandatory tool for adjudicators to use in early 2026, but SSA quickly backtracked to say the tool must be used with caution after significant errors surfaced.

More is likely to come. In August 2026, SSA solicited feedback on an enterprise artificial strategy via a Request for Information. In it, SSA indicated they are seeking information on model's, case studies, and approaches that agencies or industry have taken on AI use cases. They are also seeking approaches to attract and onboard people with AI skills. They are also seeking information on training and governance.

Notably: Advocates have raised some concerns about SSA's use of AI. In particular, the National Academy of Social Insurances (NASI)'s AI Task Force issued a report in April 2025. It highlights the real risk on using AI for right-impacting disability benefit. It encourages SSA to focus its AI use on system that assist instead of replace decisionmakers.

ACCESSORY DWELLING UNITS

Introduction

An "Accessory Dwelling Unit" or "ADU" is defined by the American Planning Association as "a smaller, independent residential dwelling unit located on the same lot as a stand-alone (i.e., detached) single-family home." *Accessory Dwelling Units*, American Planning Association, (Retrieved September 22, 2026). ADUs can be converted portions of existing homes (i.e., internal ADUs), additions to new or existing homes (i.e., attached ADUs), or new stand-alone accessory structures or converted portions of existing stand-alone accessory structures (i.e., detached ADUs).

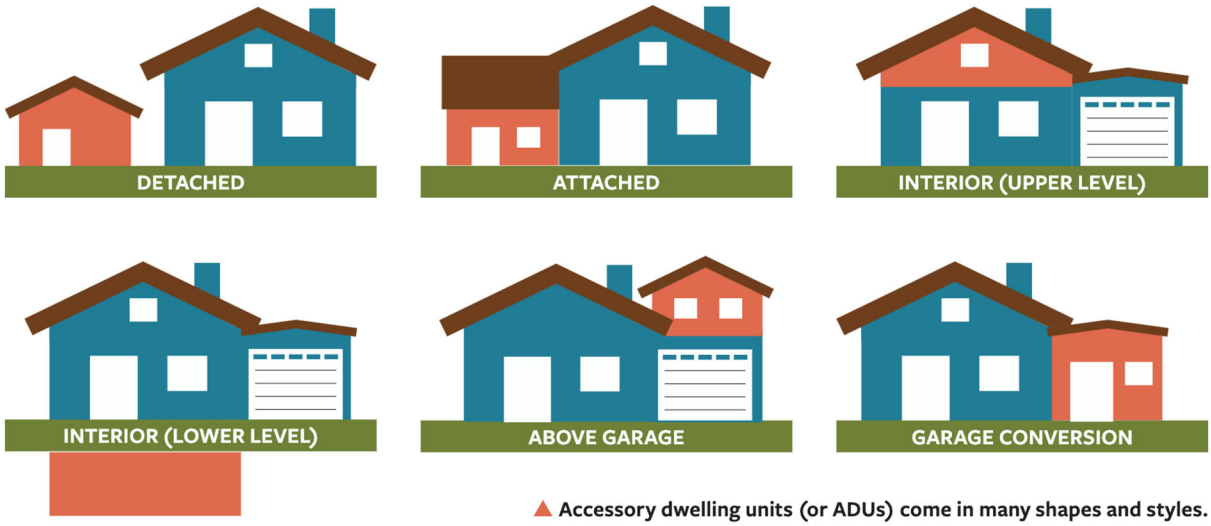
Although most government regulations, zoning laws and urban planners refer to them as accessory dwelling units, ADUs have been around for decades (or centuries) and have been referred to by various names:

- accessory apartment
- backyard bungalow
- basement apartment
- casita
- carriage house
- coach house
- English basement
- garage apartment
- granny flat
- guest cottage

- guest house
- in-law suite
- multi-generational house
- ohana unit
- secondary dwelling unit

Generally, as an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and sleeping area. However, an attached ADU may share kitchen or bathroom facilities with the main dwelling unit (depending on local zoning requirements).

Once commonplace, after World War II, many local governments placed restrictions on or prohibited the construction of ADUs. With the advent of the housing affordability problem, many local, city, county and even State governments are relaxing restrictions on and encouraging the use of ADUs and even requiring communities to allow them.



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.

The ABCs of ADUs, AARP (last visited September 23, 2026).

OWNERSHIP ISSUES RELATED TO ACCESSORY DWELLING UNITS

Ownership issues related to Accessory Dwelling Units (ADUs) often arise because the ADU is located on the same parcel as the primary home, creating questions about property rights, control, financing, and inheritance. Common issues include:

Single Property Ownership

In many jurisdictions, an ADU cannot be sold separately from the primary residence because both structures share one legal lot. The homeowner owns both the main house and the ADU. This can create complications when family members or a trust contribute money to build an ADU but do not receive a legal ownership interest.

Co-Ownership and Family Arrangements

When parents, adult children, other relatives, or a trust help finance or occupy an ADU, disputes can arise over:

- Who owns the ADU structure.
- Rights to occupy the unit.
- Responsibility for maintenance and repairs.
- What happens if the property is sold.

Without a written agreement, these arrangements can become contentious.

Title and Financing Concerns

Because the ADU is usually part of the same real estate parcel:

- It generally cannot have a separate deed.
- Mortgages and liens typically affect both the main house and the ADU.
- Lenders may require all owners of the property to sign financing documents.

Inheritance and Estate Planning

If an ADU is intended for a child or elderly parent, problems may arise after the property owner's death:

- The ADU may pass with the entire property under a will or state inheritance laws.
- Occupants of the ADU may not automatically gain ownership rights.
- Heirs may disagree about whether to keep, occupy, rent, or sell the property.

Estate planning can help clarify these issues.

Zoning, Land Use and Property Rights Disputes

Ownership conflicts can arise when:

- Neighbors challenge ADU construction.
- Property boundaries are unclear.

- Easements or access rights affect the ADU.
- Owners disagree about use restrictions or rental rights.
- Zoning restrictions on and requirements of rental units or owner-occupancy requirements.

WHY OWNERSHIP MATTERS FOR SSI BENEFITS

Home Exclusion

Regardless of its physical form, legally an ADU is part of the same property as the main home. It cannot be bought or sold separately, as a condominium or a dwelling on wheels might be. The owner of the ADU is the owner of the main home. To qualify for the home exclusion, an individual must have an ownership interest, legal or equitable, in the home. You should note however, that without an ownership interest, a home would not count as a resource to the individual, but there are other consequences that flow from not having an ownership interest.

ISM

Without an ownership interest, the individual would be required to pay rent or else be charged with in-kind support and maintenance (ISM) in the form of rent-free shelter. Or they could be subject to the value of the one-third reduction (VTR) in their benefits because they are residing in the household of another.

Paying rent or shelter costs is not a bad thing in and of itself, but if the goal is to maximize benefits, paying rent and expenses or incurring a reduction for ISM is a step in the wrong direction.

If there is a rental situation, it is likely that there may be a parent-child relationship between the landlord and the tenant (anyone in the household is a parent or child of the landlord or landlord's spouse). In that case, rental subsidy (where the tenant is not paying CMRV (current market rental value)) may be an issue. However, a recent regulatory change now provides that effective 09/30/2024, a business arrangement exists when the monthly required rent (including a flat fee payment) equals or exceeds the PMV ($351.33 for an individual and $517.00 for an eligible couple in 2026). If the verified monthly required rent equals or exceeds either the CMRV or the PMV, no rental subsidy applies. If the monthly required rent is less than both the CMRV and the PMV, the amount of rental subsidy is determined by subtracting the monthly required rent from the CMRV or PMV, whichever is less.

Trust Management

If a trust is paying for the construction of an ADU for the use of the trust beneficiary, the trustee may feel it is necessary, in its fiduciary duty, for the trust to obtain an interest in the ADU. The following options would provide the beneficiary a place to live for life, give the trust a legal or equitable interest in the ADU for its payments and not benefit a non-beneficial interest, at least not immediately.

POSSIBLE SOLUTIONS FOR THE OWNERSHIP ISSUE

Equitable Ownership

As previously discussed, an "equitable" ownership interest in property can result from personal considerations or from:

- making mortgage payments;
- making or paying for additions to a shelter; or
- making improvements to a shelter.

If an individual alleges an unwritten equitable ownership interest, SSA will gather all the necessary information and forward it to the Regional Chief Counsel for an opinion based on State law.

Condominium or Separate Ownership Structures

Some states and local governments allow legal mechanisms, such as condominiumization or lot splits, that can create separate ownership interests for an ADU. However, such situations are currently very rare and availability varies significantly by jurisdiction. Local zoning and property laws determine whether separate ownership is allowed.

In most cities and towns, there's a preferred way to create separate ownership of homes: the subdivision process. But what if there's a desire to separate ownership and subdivision isn't an option?

This situation arises most often when (1) properties are on top of one another as described previously in multi-story buildings, or (2) land use regulations make it difficult or impossible to subdivide property horizontally (i.e., minimum lot sizes can't be met; subdivision regulations that preclude a desired site layout; there's no way to provide every lot required street frontage). For these instances, use of condominium ownership to separate ownership is the only choice. Conveniently, all 50 states and the District of Columbia have adopted condominium statutes that allow property to be converted to condominium ownership and back again, if desired. The power and appeal of the

condominium legal structure is to offer a way to separate ownership between units in settings where subdivision doesn't work. Legally, condominiums are 'creatures of the state,' meaning that their existence depends on state laws that lay out the rules for their creation, maintenance, and dissolution. Each condominium project contains a group of housing units, defined by a map ('the 'Plat') and narrative description (found within the 'Declaration'). Condo unit owners each own a defined volume of air plus an undivided interest in the shared elements of the condominium property (called "General Common Elements") as drawn on the Plat and defined in the Declaration. These typically include the underlying land and any structures or parts of structures that need to be maintained by the association rather than by individual unit owners. In traditional multi-story buildings, the common elements include the underlying land and the building's foundation, structural elements, insulation, common utility lines, windows & doors, roof and siding. Individual units are usually defined to include the volume of air 'from the paint in' or some other appropriate demarking surface. ADUs and Condos: Separating Ownership, Accessory Dwellings (Retrieved September 23, 2026).

Condominiumization and subsequent transfer of ownership to the trust would provide the trust beneficiary a home for as long as they wanted or need it and legal ownership of the ADU by the trust.

Condominium conversion most often makes sense in a commercial situation where the ADU will be sold as a separate unit or in a rental situation rather than in a family-occupied ADU since the legal costs involved may reach several tens of thousands of dollars.

Life Estate

One possible avenue that could be explored – as I could not find any examples where it had been used before – is the use of a partial life estate. I say "partial" life estate since both the primary house and the ADU are part of the same deed and property, and a regular life estate would give the tenant use of and rights to the entire property. A partial life estate can legally apply to a specific portion or acreage of a larger piece of real estate (such as an ADU) rather than the entire property.

When you create a partial life estate, you split the legal ownership and use rights for just a designated section of land or a specific structure (such as a house while leaving surrounding acreage out, or vice versa). It can apply to a specific floor, a guest house, or a defined acreage of a larger farm.

The deed or trust must explicitly describe the specific portion assigned to the life tenant. It requires an accurate, legally sound survey and distinct legal description of the specific portion attached to the deed.

How a Partial Life Estate Works

- The Life Tenant: Obtains the exclusive right to use, occupy, or collect income from that specific part of the property for the rest of their life.
- The Remainderman: Holds the future interest to inherit that exact portion of the property automatically when the life tenant passes away, and, if the remainderman is not the original grantor, bypassing probate.

Duties like taxes and maintenance are typically prorated or assigned based on the terms of the agreement.

Key Advantages

- Targeted Inheritance**:** Directs a specific house, cabin, or section of land to a chosen heir, unless it returns to the grantor.
- Probate Avoidance: Transfers the designated portion automatically to the remainderman upon death.
- Continued Control: Guarantees the life tenant a secure place to live or use during their lifetime without interference.

Critical Risks & Limitations

- Subdivision Restrictions: Local zoning laws, county ordinances, or HOA rules may may legally restrict dividing a single residential structure or lot.
- Shared Control: Depending on whether it is with or without "powers," you may need the remainderman's signature to sell, mortgage, or alter the designated portion later.
- Practical conflicts: Sharing access to utilities, land, or common areas can create friction between the life tenant and the remainderman.
- Maintenance & Taxes: The life tenant remains legally responsible for taxes, insurance, and upkeep on the property, which can get complicated if only a sub-portion is metes-and-bounds defined.

If a trust is paying for the construction of an ADU for the use of the trust beneficiary, the trustee may feel it is necessary, in its fiduciary duty, for the trust to obtain an interest in the ADU. Naming the trust as the life estate grantee would provide the beneficiary a place to live for life, give the trust a legal interest in the ADU for its payments and not benefit a non-beneficial interest, at least not immediately.

A FEW NOTES ON TINY HOUSES

A thorough discussion of tiny houses could take a session in itself because of the wide variety of structures that could qualify as tiny houses. This would include both fixed-site and mobile varieties.

There is some variation in defining a tiny home, but there are examples and they are usually based on floorspace. The International Residential Code states that a tiny house's floorspace is no larger than 400 square feet (37 m^2). Merriam-Webster says they can be up to 500 ft^2. One architectural firm used a threshold of 600 ft^2 to define a tiny home. What further complicates the definition is that tiny homes may or may not be mobile and lack clearly defined features.

The tiny home movement started in the late 1990s has grown through the 2020s. The movement's core involves living full-time in a very small floorspace building. In some cases, tiny houses are very small houses with a foundation, plot, and traditional sewage and electrical hookups, while in other cases, they are more mobile, like an RV or mobile home. Types of tiny houses include shipping container homes, small houseboats, bus conversions, and more. Tiny House Movement, Wikipedia (Retrieved September 23, 2026).

One of the biggest obstacles faced by the tiny-house movement is the difficulty of finding a region in which such a house can be constructed. Zoning regulations typically specify minimum square footage for new constructions on a foundation, and for tiny houses on wheels, parking on one's own land may be prohibited by local regulations against camping. Prohibitions may also extend to mobile homes, RVs, or temporary structures. Many localities do not allow these forms as legal dwellings, primarily due to concerns over stability, sanitation, and permanence.

In addition, RV parks do not always allow tiny houses unless they meet the criteria required for RVs. Tiny houses on wheels are considered RVs and are not suitable for permanent residence, according to the Recreational Vehicle Industry Association (RVIA). From *RV Business,* "The RVIA will continue to shy away from allowing members who produce products that are referred to as 'tiny houses' or 'tiny homes.' Vail, K. (2016). "Saving the American Dream: The Legalization of the Tiny House Movement". *University of Louisville Law Review*, 54(2), 357–379.

In general, SSA should consider any tiny house built on a foundation with utility hookups as real property, the same as it would consider an ADU or other full-sized house and the same policy considerations would apply.

Considering a mobile tiny house (which would be considered as personal property), for purposes of the home exclusion, a home can be real or personal property, fixed or mobile, and located on land or water. For purposes of excluding “the land on which the shelter is located,” it is not necessary that the individual own the shelter itself.

EXAMPLE: If an individual lives on their own land in someone else's trailer, the land meets the definition of a home and is excluded. However, if the individual does not own the shelter, it is necessary to consider whether the shelter results in in-kind support and maintenance (ISM) (e.g., rent-free shelter).

Use of Land

The use of land alone is not a household cost. Thus, if an individual receives land or the use of land without charge, this does not result in outside ISM. Similarly, third party vendor payments of real property tax, rent or mortgage on land alone do not cause an individual to receive ISM in the form of shelter.

A trailer space rental fee which is for space alone is not a household operating expense for purposes of determining inside ISM, nor is it outside ISM if someone outside the household pays the fee. However, if the fee is not for use of land alone, that part of the fee which is for water, sewer, etc., is part of the household costs for purposes of determining inside and outside ISM.

EXAMPLE: James Smith, an eligible individual, lives alone in a house trailer they own. The trailer is situated on the property of their sibling, Bill. James pays no rent for the use of the land. Bill provides water and electricity free of charge. The free use of the land results in no ISM to James. However, James is charged with outside ISM based on the CMV of the water and electricity.

NOTE: The use of land without charge may result from the individual holding an easement, a life estate, or a similar arrangement. If so, resource development of the arrangement may be necessary. POMS, SI 00835.465D.4.

POOLED TRUST MANAGEMENT PROVISIONS

THE TRUST MUST BE ESTABLISHED AND MANAGED BY A NON-PROFIT ASSOCIATION

PS 01825.002 Alaska (08/19)

D. PS 19-097 Analysis of whether the J~ Irrevocable Asset Trust, which is established by Alaska's Office of Public Advocacy, qualifies as a pooled trust under 42 U.S.C. § 1396p(d)(4)(C)

This Regional Chief Counsel (RCC) opinion examines whether a pooled trust sub-account qualifies as a pooled trust under 42 U.S.C. § 1396p(d)(4)(C) and POMS SI 01120.203.D. The RCC concludes that it does and therefore must be evaluated under

POMS SI 01120.200 to determine if it is a countable resource for Supplemental Security Income (SSI) purposes.

PS 01825.017 Indiana (05-18)

E. PS 18-085 Review of the Southwestern Indiana Regional Council on Aging, Inc. Pooled Trust

This Regional Chief Counsel (RCC) opinion examines whether sub-accounts in the Southwestern Indiana Regional Council on Aging, Inc. Pooled Trust for Disabled Persons (Trust) comply with the requirements for a pooled trust exception under section 1917(d)(4)(C) of the Social Security Act (Act). The RCC concludes that a self-funded sub-account in the Trust would be considered a resource because it does not meet all of the requirements. However, a third party-funded sub-account in the Trust would not be considered a resource under our regular policy for third party trusts as resources in POMS SI 01120.200D.

PS 01825.037 North Dakota - TN 173 (02-20)

A. PS 20-223 Lutheran Social Service of Minnesota's North Dakota Self-Settled Pooled Trust

This Regional Chief Counsel (RCC) opinion examines whether the Lutheran Social Service of Minnesota's North Dakota Self-Settled Pooled Trust ("Trust") and Joinder Agreement comply with the requirements for a pooled trust exception under section 1917(d)(4)(C) of the Social Security Act (Act). In a previous opinion (PS 18-102), the RCC concluded that the Trust allows for the Trust Fund Manager (potentially a for-profit entity) to have excess managerial authority. Further, the Joinder Agreement does not conform to the Trust Agreement. These defects were cured effective with an August 1, 2019 amendment and the trust now satisfies the requirements of the pooled trust exception. In addition, and unlike the Joinder Agreement previously reviewed, the revised Joinder Agreement appears to properly conform to the Amended Trust.

B. PS 18-102 Lutheran Social Service of Minnesota's North Dakota Self-Settled Pooled Trust (06-18)

This Regional Chief Counsel (RCC) opinion examines whether the Lutheran Social Service of Minnesota's North Dakota Self-Settled Pooled Trust ("Trust") and Joinder Agreement comply with the requirements for a pooled trust exception under section 1917(d)(4)(C) of the Social Security Act (Act). The RCC concludes that the Trust allows for the Trust Fund Manager (potentially a for-profit entity) to have excess managerial

authority. Further, the Joinder Agreement does not conform to the Trust Agreement. Therefore, the Trust does not meet the pooled trust exception, and trust sub-accounts are countable resources.

PS 01825.049 Utah TN 186 (05-20)

A. PS 20-031 Secured Futures Pooled Special Needs Trust & the Utah Amendment, March 23, 2020

This Regional Chief Counsel opinion examines whether the Secured Futures Pooled Special Needs Trust (the "Trust") and Joinder Agreement, and Utah Amendment thereto, satisfy the pooled trust exception at 42 U.S.C. § 1396p(d)(4)(C). The opinion concludes that the Trust does not meet the pooled trust exception to counting assets in the Trust sub-accounts as resources because it impermissibly allows the Trustee to delegate responsibilities to a for-profit entity that must be retained by the Trustee.

PS 01825.055 Wisconsin (03-19)

D. PS 19-079 Review of Life Navigators, Inc. Amended Master Trust Agreement for Trust II Pooled Trust

This Regional Chief Counsel (RCC) opinion examines whether the second-amended version of the Life Navigators, Inc. Master Trust Agreement for Trust II pooled trust (we evaluated the first-amended version under "PS 17-062 Review of Life Navigators, Inc. Master Trust Agreement for Trust II Pooled Trust" below in this section) now satisfies the criteria for the pooled trust exception under section 1917(d)(4)(C) of the Social Security Act. The RCC concludes that the second-amended version now meets all of the requirements of the pooled trust exception, and sub-accounts in the pooled trust would not be considered resources for SSI purposes.

Successor Trustees and Co-Trustees

PS 01825.025 Michigan (07-19)

I. CPM 19-094 Review of the Michigan Arc Pooled Amenities Trust and Joinder Agreement

This Regional Chief Counsel (RCC) opinion examines whether the master trust declaration for the Arc Michigan Pooled Amenities Trust and the Joinder Agreement for NH D~ are in compliance with SSA's pooled trust policy. The RCC concludes that the trust does not comply with SSA's pooled trust policy. Specifically, the trust allows for a successor trustee that is not a non-profit organization; it allows the trustee to use funds

in sub-accounts to cover the costs of actions affecting only other sub-accounts; and the trust appears to allow for someone other than the individual, a court or the individual's parent, grandparents, or legal guardian to establish a sub-account in the trust with the assets of the disabled individual.

PS 01825.025 Michigan

E. PS 20-035 Review of the Second Amendment and Restatement to the Pooled Accounts Trust of the Arc of Midland, April 2, 2020

In this opinion the Regional Chief Counsel (RCC) examines the second amended and restated Declaration of Trust for the Pooled Accounts Trust of the Arc of Midland to determine whether it complies with the procedures governing the Agency's pooled trust policy. The RCC concludes that the Trust does not meet all of the requirements of the pooled trust exception. Specifically, the Trust allows for execution of core managerial duties by a for-profit entity, sub-accounts containing funds for multiple beneficiaries, and the use of a beneficiary's funds for the benefit of another beneficiary.

PS 01825.039 Ohio

G. CPM 19-087 Review of The Ohio Community Pooled Annuity Master Trust (06-19)

In this opinion, the Regional Chief Counsel (RCC) examines whether the Ohio Community Pooled Annuity Master Trust (Trust), as amended in 2014, is in compliance with SSA's pooled trust policy. The RCC concludes that the trust does not comply with pooled trust policy because it allows the non-profit entity to delegate control of core management functions to a for-profit organization. Therefore, self-settled funds in accounts established by a disabled individual on or after January 1, 2000, would be resources. Because this trust was previously determined to be excepted from resource counting, a 90-day amendment period applies.

H. CPM-19-077 Review of The 2014 Ohio Community Pooled Flexible-Spending Trust (05-19)

In this opinion, the Regional Chief Counsel (RCC) examines whether the 2014 Ohio Community Pooled Flexible-Spending Trust meets the criteria for the pooled trust exception. The trust does not comply with pooled trust policy because it allows the non-profit entity to delegate control of core management functions outside the non-profit organization. Accounts in the Trust would be considered resources under the Social Security Act.

PS 01825.017 Indiana TN 200 (09-20)

B. PS 20-076 The New Leaf National Foundation Special Needs Pooled Trust, August 11, 2020

In this opinion the RCC examines the Leaf National Foundation Special Needs Pooled Trust to determine if it complies with agency pooled trust policy. Due to problematic language concerning the management of the pooled trusts, which could allow management functions to fall to for-profit entities, the trust does not meet the pooled trust exception for self-settled trusts under 42 U.S.C. § 1396p(d)(4)(C).

PS 01825.025 Michigan (11-20)

D. PS 20-097 Review of the Third Amendment and Restatement to the Pooled Accounts Trust of the Arc of Midland

In this opinion, the Regional Chief Counsel (RCC) examines the Third Amendment and Restatement to the Pooled Accounts Trust of the Arc of Midland to determine whether it complies with the procedures governing the Agency's pooled trust policy. The RCC concludes that while the amendment cures deficiencies found in prior versions, the Trust still does not meet all of the requirements of the pooled trust exception. Specifically, the Trust allows a for-profit entity serving as a substitute Trustee to execute core managerial duties. Third-party sub-accounts in the Trust and third-party assets in a commingled sub-account would not be considered a resource under the Agency's regular resource rules.

APPENDICES

APPENDIX A

Program Operations Manual System (POMS)

Effective Dates: 07/09/2026 - Present TN 105 (07-26)

SI 01120.250 Trump Accounts (TAs)

Public Law No. 119-21, Sec. 70204; Sec. 530A of the Internal Revenue Code; Social Security Act, Sec. 1613

A. Overview of TAs

A Trump Account (TA) is a tax-advantaged investment account established for children. A type of traditional Individual Retirement Account (IRA), TAs have special rules that change depending on the TA beneficiary's age. TAs have two primary periods:

- Growth period, which begins with the establishment of the initial TA and ends on December 31 of the calendar year in which the TA beneficiary attains age 17; and
- Post-growth period, which is effective January 1 of the calendar year in which a TA beneficiary attains age 18 and continues thereafter.

TAs are established for the benefit of children and may be funded with first-party and third-party contributions. The parent, guardian, or other authorized individual who completes an election form to open a TA is generally the responsible party and account custodian for the Trump account. Generally, in 2026, up to $5,000 (adjusted for inflation) can be contributed per year per child, and contributions are invested in low-cost index funds. A TA beneficiary may only have one TA funded at a time. A federal pilot program provides a $1,000 contribution to the TAs of eligible children born between January 1, 2025, and December 31, 2028. More information on TAs is available at trumpaccounts.gov.

B. Policy for the income and resource treatment of TAs

The income and resource treatment of TAs changes based on the age of the TA beneficiary.

1. Growth Period

Prior to January 1 of the year the TA beneficiary attains age 18 (growth period):

- The entire value of a TA is not considered a resource for SSI purposes.
- Distributions from the TA generally are not permitted. The following do not count as distributions:
    - a rollover to another TA during the growth period;
    - a rollover to an ABLE account when permitted during the calendar year of age 17 attainment (referred to in this section as the "Age 17 TA-ABLE rollover");
    - removal of excess contributions over the annual limit; and
    - distributions upon the death of the TA beneficiary.
- Contributions made directly to the account are generally not considered income; however, a TA beneficiary cannot avoid income counting by direct depositing funds into a TA. For example, a TA beneficiary could not have their Social Security benefits direct

deposited into a TA to prevent them from counting as unearned Social Security income for SSI purposes.

NOTE: A beneficiary or recipient with a representative payee cannot have their Social Security or SSI payments paid via direct deposit into a TA during the growth period when distributions generally are not permitted. Due to TA distribution restrictions, the representative payee generally would not be able to use the benefits to provide for the beneficiary's current needs (see GN 00602.001A.2).

For processing instructions during the growth period, see SI 01120.250C in this section.

For additional information on the Age 17 TA-ABLE rollover, see SI 01120.250C.3 in this section.

2. Post-Growth Period

Beginning January 1 of the calendar year the TA beneficiary attains age 18 (post-growth period):

- The TA is a countable resource. The value of the TA is the amount of money that the TA beneficiary can withdraw from the TA after any penalty for early withdrawal (i.e., early distribution tax).

- Distributions of TA funds are not income, but a conversion of a resource.

- Contributions to a TA are income or a conversion of a resource, depending on the source of the contribution.

  For instance:

  - If a TA beneficiary transfers money from their savings account into their TA, the contribution is a conversion of a resource, changing form from a financial institution account resource to a TA resource.

    Example: On 1/15/27, a TA beneficiary transfers $500 of existing account funds from their savings account to their TA. For SSI purposes, on 1/1/27, $500 is counted as a financial account resource. On 2/1/27, $450 is counted as a TA resource ($500-10% early withdrawal penalty=$450).

  - If a TA beneficiary's parent deposits a $1,000 "graduation gift" into the TA, the $1,000 is unearned income in the month of deposit.
  - If a TA beneficiary direct deposits $200 of their paychecks into their TA, each $200 deposit is earned income in the month of deposit.

  Contributions are a countable TA resource beginning the following month.

For processing instructions during the post-growth period, see SI 01120.250D in this section.

C. Development and documentation of TAs during growth period (initial TA establishment through December 31 of the calendar year in which the TA beneficiary attains age 17)

1. Initial claims, redeterminations (RZs), and post-eligibility reports of change for children under age 16

When evaluating resources during initial claims, RZs, and post-eligibility events for SSI applicants or recipients under age 16:

- Accept the parent, guardian, or payee's allegations regarding whether a TA has been established for the child and the estimated account value.

- Record the allegation on an "Other Resources" page by selecting "Trump Account (TA)" from the "Type" drop-down menu. In the "Description" field, include the name of the alleged account custodian (i.e., the "responsible party"), the financial institution administering the account, and the account number if known. See MS 08113.032 for more information on the Other Resources page.

  NOTE: Account custodians are not co-owners; the account beneficiary owns the TA and funds.

- Enter the entire "Alleged Value" in the "Excluded Amount" field. Use exclusion reason "Trump account (TA)."

- From the Direct SSR Update Menu (UMEN), select "Diaries," and manually post an RT diary on the Update Diaries (UDIA) screen. Set the maturity date for January 1 of the calendar year the child will attain age 17.

- Input the following SSR remarks, "RT - [insert maturity date 1/1/xx] Age 17 TA/ABLE Rollover development."

2. Special development for TA-related RT diaries reaching maturity and for claims, RZs, or resource-related post-eligibility contacts for SSI applicants and recipients aged 16 and 17.

Complete development in SI 01120.250C.2.a through SI 01120.250C.2.d during:

- RZs related to the maturation of a TA-related RT diary; and/or
- claims, RZs, or resource-related post-eligibility contacts for claimants aged 16 or 17.

a. Request evidence of TA ownership and balance

To develop or update TA information:

- Screen for a TA or changes to a TA.

- Request statements, account records, or other evidence of TA ownership and account value. Store evidence electronically using the Evidence Portal.

- Document the TA (or update a previously documented TA) on the “Other Resources” page by selecting “Trump Account (TA)” from the "Type" drop-down box.

- Enter the entire “Alleged Value” in the "Excluded Amount" field. Use exclusion reason “Trump account (TA).”

b. Inform the TA beneficiary and custodian about post-growth period resource counting and the TA-ABLE rollover option

- Advise the individual that TA funds will become countable effective January 1 of the year the TA beneficiary attains age 18.

- Explain the TA - ABLE rollover, which is available during the calendar year a TA beneficiary attains age 17, as discussed in SI 01120.250C.3 in this section. If more information is requested, direct them to the Spotlight On Achieving A Better Life Experience (ABLE) Accounts | Supplemental Security Income (SSI) | SSA.

c. Post an Age 18 RT diary to redevelop TA resources prior to the December Goldberg-Kelly (GK) cutoff.

- From the Direct SSR Update Menu (UMEN), select "Diaries," and manually post an RT diary on the Update Diaries (UDIA) screen to redevelop the TA and potential TA-ABLE rollover. Set the maturity date for December 1 of the calendar year the child attains age 17.

- Add the following SSR remarks, “RT - [insert maturity date 12/1/xx] Age 18 develop TA/ABLE Rollover and remove TA exclusion effective 1/1/[insert calendar year of age-18 attainment].”

d. Redevelop TA and potential TA - ABLE rollover and post the countable TA value when the Age 18 RT diary matures.

Prior to the GK cutoff in December of the same year (i.e., the year in which the TA beneficiary attains age 17), when the Age 18 RT diary matures, check for a potential TA-ABLE rollover.

- If rollover is alleged, process according to SI 01120.250C.3 in this section.

- If rollover is not alleged, redevelop the TA value, and remove the TA resource exclusion effective January 1 of the following year (i.e., the year in which the TA beneficiary attains age 18). If the payee fails to provide information necessary for determining continuing eligibility, see SI 02301.235.

See SI 01120.250D in this section for more instructions on processing TAs in the post-growth period.

3. Age 17 TA - ABLE rollovers

a. Overview of Age 17 TA - ABLE rollovers

During the calendar year a TA beneficiary attains age 17, TAs are eligible for the age 17 ABLE rollover. Through a trustee-to-trustee transfer, the entire balance of the TA may be rolled over to an ABLE account for the TA beneficiary. The rollover is an exception to TA distribution rules and ABLE contribution limits.

Through the TA-ABLE rollover, the TA, which is considered an asset that is not a resource for SSI purposes, is transferred to an ABLE account. Up to $100,000 in an ABLE account may be excluded from resource counting. The TA beneficiary does not receive countable income as a result of this transaction. See SI 01130.740 for more information on ABLE accounts.

Important: All TA funds that are not rolled over to ABLE accounts during this period will become countable TA resources effective January 1 of the following year (i.e., the year in which the TA beneficiary attains age 18).

b. Development and documentation of Age 17 TA - ABLE rollovers

If a TA beneficiary or account custodian alleges a rollover of the TA to an ABLE account:

- Request evidence that the rollover has been completed (e.g., TA account statement showing zero balance or account closure and ABLE state exchange data or ABLE account statements). Store evidence electronically using the Evidence Portal, as applicable.
- Update the “Other Resources/TA” and “ABLE account” pages to reflect the resource status changes.
- Delete the Age 18 RT diary and SSR remarks indicating the need for TA redevelopment.
- Follow the procedures in SI 01130.740 to develop ABLE account exclusions.

D. Development and documentation of TAs in the post-growth period (beginning January 1 of the calendar year in which the TA beneficiary attains age 18.)

While developing TA resources for months beginning January 1 of the calendar year in which the TA beneficiary attains age 18 and thereafter:

- Develop TA ownership, account value, and distributions, as applicable. Obtain evidence following normal resource verification policies in SI 01140.010.

- Develop for contributions to the TA. If the TA beneficiary alleges or evidence indicates contributions to a TA, determine whether the contributions are income or conversions of a resource and document the contributions according to normal policies (e.g., SI 00810.010, SI 01110.600).

- When an individual alleges resource values that preclude SSI eligibility, accept the allegation following SI 01140.010B.2.a.

- Count the value of TAs (i.e., the amount that the TA beneficiary can withdraw after any penalty for early withdrawal), unless the account can be excluded under another policy (e.g., an approved Plan to Achieve Self-Support, SI 00870.001).

  NOTE: Penalties for early withdrawal for a given year are available on the IRS website, where they are referred to as "additional tax for early withdrawal." The penalty tax is the same for TAs and traditional IRAs.

- Record TAs (or update previously developed TAs) on an “Other Resources” page under the type “Trump Account (TA).” See MS 08113.032 for more information on the Other Resources page.

  NOTE: Ensure the growth-period TA resource exclusion has been removed effective January 1 of the calendar year the TA beneficiary attains age 18.

- Store account statements or other evidence in the electronic folder using the Evidence Portal.

If the recipient or payee fails to provide information necessary for determining continuing eligibility, see SI 02301.235.

E. Examples of TA development

1. Young child qualifying for the pilot program contribution

In a 7/10/26 initial application for a disabled child born 10/1/25, the CS learns from the child’s mother that she made a TA election for the child when she filed her taxes, listing herself as the “responsible party” who would oversee the account. No contributions have been made, but she alleges the government is putting $1,000 into the account through the pilot program. The CS lists the TA on the “Other Resources” page, notes the mother as the account custodian in the description, and then posts the $1,000 alleged balance to the "Excluded Amount" field in July 2026 and continuing with the exclusion reason “TA.” The CS adds an RT diary to the record with a maturity date of 010142. The CS annotates in the SSR remarks field “RT-01/01/42 Age 17 TA/ABLE Rollover development.”

2. Special development during routine redetermination for a 16-year-old child

During a 5/1/27 redetermination for a disabled child born 4/3/2011, the CS learns the child's father established a TA for the child during the 2026 tax season. The father alleges an account value around $1,500. He contributed $500 when he opened the account, and the child's grandmother contributed $1,000 in December 2026. Because the child is 16 and special development applies, the CS informs the father that the child's TA balance will become accessible, and therefore a countable resource for SSI purposes, on 1/1/29. The CS informs the father that the TA could be rolled over into an ABLE account between 1/1/2028 and 12/31/2028 and provides the link to the ABLE Spotlight for more information. The CS requests evidence of the TA and its value and requests that the father report if an ABLE rollover is pursued.

Before closing the redetermination event, the CS completes the "Other Resources/TA" page using information from a current TA account statement, listing account details in the "Description" field, and posting the current account value in the "Excluded Amount" field with the exclusion reason "TA." The CS adds an RT diary with a maturity date of 120128 and annotates the SSR remarks field with "RT – 12/01/28 Age 18 develop TA/ABLE Rollover and remove TA exclusion effective 01/01/29."

3. Post-Growth period TA development

The CS contacts the father from example 2 at the end of November 2028 to resolve the maturing Age 18 RT diary. During the review, the father reports that an ABLE account wasn't opened. The CS obtains an updated account statement for the TA, which shows a current balance of $1,720. The CS screens for resource exclusions, and, after finding none, advises the father that the funds would be a countable resource for the child beginning January 2029 and continuing. On the TA resource page, the CS calculates the early withdrawal penalty (10% of 1720=172; 1720-172=1548) and updates the verified resource value of $1,548 for December 2028. For January 2029 and continuing, the CS posts $1,548 as the alleged resource value, ensures the alleged account balance is removed in the "Excluded amount" field, and stores the TA account statement in Evidence Portal.

F. References

SI 00810.010 Relationship of Income to Resources

SI 01110.100: Distinction Between Assets and Resources

SI 01110.600: First-of-the-Month (FOM) Rule for Making Resource Determinations

SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts

SI 01140.010 Resource Verification Requirements

SI 01150.007 Transfer of Resources by Spenddown

APPENDIX B

CRS REPORT – Trump Accounts: Overview and Policy Considerations, Congressional Research Service, Library of Congress

APPENDIX C

Program Operations Manual System (POMS)

Effective Dates: 04/03/2012 - Present TN 86 (05-24)

SI 01120.225 Pooled Trusts Management Provisions

CITATIONS:

Social Security Act (Act) as amended, Section

1917(d)(4)(C)(42 U.S.C. § 1396p(d)(4)(C))

A. How to determine when to apply the policies in this section

1. New trusts and trusts that have not been previously excepted under section 1917(d)(4)(A) or (C) of the Act

A trust that is either newly formed or not previously excepted from resource counting must meet all of the criteria set forth in SI 01120.199 through SI 01120.203 and SI 01120.225 through SI 01120.227 to be excepted under section 1917(d)(4)(A) or (C). Do not except such a trust from resource counting unless the trust meets all of these requirements.

2. Trusts that previously met the requirements to be excepted under section 1917(d)(4)(A) or (C) of the Act

A trust that was previously determined to be excepted from resource counting under section 1917(d)(4)(A) or (C) continues to be excepted from resource counting, provided the trust is amended to conform with the requirements of this section within 90 days. That 90-day period begins on the day the recipient or representative payee is informed that the trust contains provisions that must be amended in order to continue qualifying for the exception under section 1917(d)(4)(A) or (C). Do not count a previously excepted trust as a resource during the 90-day amendment period.

If the trust still fails to meet the requirements of this section after the expiration of the 90-day amendment period, begin counting the trust under normal resource counting rules.

NOTE: Each previously excepted trust is permitted only one 90-day amendment period.

B. Background of pooled trusts management

To qualify for exception under the provisions of section 1917(d)(4)(C), a pooled trust must be managed by a non-profit association. By law, each trust beneficiary must have a separate account, but the non-profit manager can pool these funds with the funds of other members of this communal trust. In some instances, the non-profit manager(s) may employ the services of a for-profit entity to manage some of the financial activities of the trust.

C. Case processing alert

Trusts are often complex legal arrangements involving State law and legal principles that a claims representative may not be able to apply without obtaining the advice of legal counsel. Therefore, the following instructions may only be sufficient to recognize that an issue is present that you should refer to the regional office (RO) for possible referral to the Office of Program Law. When in doubt, discuss the issue with the RO staff. You can resolve many issues by phone.

D. Policy on use of for-profit entities

If a non-profit association employs the services of a for-profit entity, the non-profit association must maintain ultimate managerial control over the trust. The for-profit entity may handle certain trust functions on behalf of the non-profit association; however, the use of a for-profit entity must always be subordinate to the non-profit managers of a pooled trust under section 1917(d)(4)(C).

For example, the non-profit association must be responsible for:

- determining the amount of the trust corpus to invest;
- removing or replacing the trustee; and
- making the day-to-day decisions regarding the health and well-being of the pooled trust beneficiaries.

NOTE: This list is not intended to be exhaustive. These are a few examples of the type of authority that must vest in the non-profit association.

E. Procedure for determining management control of the pooled trusts

Do not routinely question the relationship between the non-profit association and for-profit entities used by the pooled trust.

However, before excepting a pooled trust under section 1917(d)(4)(C), review the trust for any provisions that indicate the non-profit association has not retained sufficient authority over the pooled trust to meet the criteria in section 1917(d)(4)(C).

For example, a pooled trust may not meet the criteria in section 1917(d)(4)(C) if the trust includes a provision that allows the for-profit entity to determine whether to make discretionary disbursements from the trust.

Refer the pooled trust document to the regional office for evaluation if it appears that the non-profit organization may not have sufficient control over the management of the trust for the trust to be excepted under section 1917(d)(4)(C).