



Trust Transfers Demystified: Legal and Practical Essentials

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Transfer Map

Why Transfers
Matter

Legal Authority
& Guidance

Is a pooled
trust the right
destination?

Pre-Transfer
Checklist

Court Order
Essentials

Practical
Considerations

Preparing for a
Smooth
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Mind the Gap

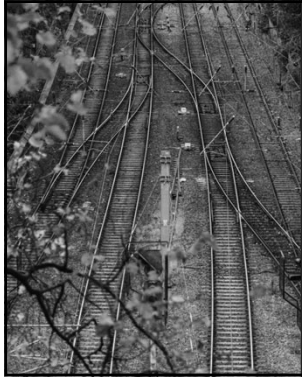
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READ THE TRUST

Always start with reading the
originating trust. Is transfer an
option?



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Why Transfers Matter

- Trustees change, beneficiaries' needs evolve, and circumstances shift.
- Transfers often become necessary for:
 - Trustee resignation or removal
 - Beneficiaries Move
 - Other trust management options
 - Structural or financial reasons
- Getting the process wrong risks benefits eligibility and legal compliance

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Legal Authority & Guidance

- Most states lack specific statutes on transfers to pooled trusts.
- Decanting may be used.
- Court can order a transfer; treated as a continuation, not a new trust.
- **Key rule: Original trust cannot terminate until all assets are transferred.**



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Legal Authority & Guidance

- SSA's POMS governs how trust transfers impact benefits.
 - POMS SI 01120.199D.7: Decanting (Definition)
 - POMS SI 01120.199E.2: Exception for transfers to a secondary trust upon early termination.
- Must still meet all criteria before and after the transfer.
- SSA will review both trusts and may impose penalties if requirements are not met.

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Is a Pooled Trust the right Destination?

- ✓ Pooled Trusts' Trustees are not Successor Trustees
- ✓ The Court Does Not Appoint or Change the Trustee.
- ✓ Joinder Agreements
- ✓ Assets to be Transferred and Pooled Investments

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Am I ready? Pre Transfer Checklist

- Does the beneficiary meet SSA's definition of disability?
- Where does the beneficiary reside?
- What type of assets does the originating trust hold?
- Will the pooled trust accept this sub-account?
- Was the original trust court-established?
- Who will complete the joinder agreement or application?

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Ticket to Ride

What should be included in Court Orders

- Establishment of the new trust sub-account.
- Direction to complete all necessary paperwork.
- Terminate the original trust AFTER TRANSFER AND ACCEPTANCE
- Disclosure of continued funding sources.
- Direction to update beneficiary or payee designations.
- Timeline for updating payment designations.
- Annual accounting requirements (if applicable).



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Preparing for a Smooth Transfer

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Smooth Transfers

Confirm	Confirm the new sub-account is established.
Communicate	Communicate with the beneficiary and their representatives.
Court	Provide a copy of the court order.
Records	Share financial records.
Expenses	Document recurring expenses.

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Smooth Transfers

List	List major past purchases.
Provide	Provide comprehensive beneficiary information.
Identify	Identify key individuals.
Funding	Include funding source contracts.
Tax	Address tax and TIN considerations.



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- Transfers are routine — but **details matter**.
- Always read the original trust first.
- Communicate thoroughly to avoid disruption.
- Done right, a transfer preserves eligibility and ensures continuity of care.

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Questions



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