
RESOURCES

TRUSTS/TRANSFERS OF ASSETS

**A. TRUST
POLICIES**

The following is a discussion of the treatment of income and resources which have been placed in or are being distributed from trusts, guardianships or conservatorships. Trusts are classified as follows:

- OBRA-93 Trusts - applicable to trusts established on or after August 11, 1993, which is the date mandated by OBRA-93 federal legislation. OBRA-93 Trusts must meet certain criteria. If OBRA-93 criteria is not met, refer to the appropriate trust policy.
- Medicaid Qualifying Trusts - applicable to trusts established on or after March 1, 1987 through August 10, 1993 that meet MQT criteria. If MQT criteria is not met, defer to Standard Trust policy.
- Standard Trusts - applicable to trusts established prior to March 1, 1987 and/or trusts that do not meet the criteria of OBRA-93 or MQT trusts regardless of the date established.

Trusts, guardianships/conservatorships must be referred to the State Office for clearance whenever a client or spouse either creates a trust or is the beneficiary of one. All pertinent material must be included.

**B. TRUST
DEFINITIONS**

The following definitions apply to any/all types of trusts.

1. Trust

A trust is a property interest whereby property is held by an individual (trustee) subject to a fiduciary duty to use the property for the benefit of another (the beneficiary).

2. Grantor

A grantor (also called a settlor or trustor) is a person who creates a trust. An individual may be a grantor if an agent, or other individual legally empowered to act on his/her behalf (e.g., a legal guardian, person acting under a power of attorney or conservator), establishes the trust with funds or property that belong to the individual. The terms grantor, trustor, and settlor may be used interchangeably.