



PWD BENEFITS AND TRUSTS

To determine if you are eligible for income assistance the Ministry conducts an income test and an assets test. This means if you make too much money, you may not be eligible, or if your possessions are valued over a certain amount, you may not be eligible.

If you have a large sum of money (for example: an inheritance) while on assistance or in process of applying for Income Assistance, you may need to put that amount into trust. A trust is a legal agreement, drawn up by a lawyer that allows the individual with PWD status to have money or other assets “in trust” and a trustee to manage the assets on behalf of the individual.

Purpose of a Trust

One of the main reasons for the creation of a trust is to allow people with disability benefits to continue receiving the assistance while holding their assets in trust while still protecting their eligibility for disability benefits.

Types of Trust for People with Disabilities

Discretionary Trust: The beneficiary has no control over the trust and the funds in it. The trustee will make all the decisions concerning the trust including, spending decisions. Because the beneficiary has no control, the trust cannot be considered an asset. There is no limit on the amount of money in the trust. If applying for disability assistance, a discretionary trust will not affect your eligibility.

Non-Discretionary Trust: The beneficiary also is the trustee because she or he has control over the trust and can decide where and how the money will be spent. The money is considered to be an asset of the beneficiary. However the non-discretionary trust can be considered an exempt asset if: the beneficiary has PWD designation or is a resident of a special care facility. A limit of \$200,000 can be placed into a non-discretionary trust before it affects disability benefits.

Using Trust Money

There are restrictions on what you can use the money in your trust for, without it affecting your disability benefits. You may spend your trust money on “disability related costs” such as: Caregiver services, devices, or medical aids, related to improving the person’s health or well-being.

You will be required to report to the Ministry at least once a year, on how the money in the trust is being spent.

Will the Ministry Recognize Your Trust?

Once your trust document is completed, the Ministry will need to approve it. You will need to provide your local Ministry office with a copy and it can take several weeks for it to be approved. Due to the complexity of trust law, your trust documents will be sent to the ministry’s Legislation, Litigation and Appeals Branch (LLAB).

If you receive a lump sum payment and do not have a trust created, you should inform the Ministry immediately of your plans to set up a trust. The Ministry will excuse these assets for up to 3 months (which is enough time for you to get a trust set up).

For more information visit our website at www.AskAnAdvocate.ca