

PWD BENEFITS & TRUSTS

To determine if you are eligible for income assistance, the Ministry conducts income and asset tests. This means that if you make too much money or if your possessions are valued over a certain amount, you may not be eligible for Persons With Disabilities (PWD).

If you have a large sum of money (i.e. an inheritance) while on assistance or in process of applying for PWD, you may need to put that amount into a 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.



USE OF TRUSTS

A trust can be used to hold assets above the allowable limits for a PWD recipient allowing them to use the trust for disability-related costs.

TYPES OF TRUSTS FOR PEOPLE WITH DISABILITIES

DISCRETIONARY TRUST	NON-DISCRETIONARY TRUST
The beneficiary (you) has no control over the trust and the funds in it. The trustee will make all the decisions concerning the trust including spending decisions. 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.	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.

NOTE

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

WILL YOUR TRUST BE RECOGNIZED?

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 may excuse these assets for up to 3 months (which is enough time for you to get a trust set up).