Special Needs Trust Information for Clients and Attorneys
"Bridging Language Guide"

For Families, Grantors, and Estate Planning Professionals

Important Information for Clients

By establishing a Third-Party Special Needs Trust sub-account within the PLAN of California Master Pooled Trust, you are helping protect your loved one's financial future while preserving eligibility for important public benefits such as SSI and Medi-Cal.

To ensure your estate plan properly funds the trust in the future, your attorney must include specific language in your will, living trust, or other estate planning documents.

What You Need To Do

✓ Provide this document to your attorney or estate planning professional.

✓ Share your executed Joinder Agreement for the PLAN of California Master Pooled Trust.

✓ Ask your attorney to include the appropriate "bridging language" in your estate planning documents.

✓ If you are also enrolling in Personal Support Services through Proxy Parent Foundation, provide your attorney with a copy of that agreement as well.

Why Is Bridging Language Important?

The Joinder Agreement establishes the Special Needs Trust sub-account, but it does not automatically transfer assets into the trust.

Your will, living trust, life insurance policy, retirement account, or other estate planning documents must direct assets to the Special Needs Trust upon your death. Bridging language creates the legal connection between your estate plan and the Special Needs Trust.

Without proper language, assets intended for your loved one may be distributed directly to them, which could jeopardize eligibility for needs-based government benefits.

INFORMATION FOR ATTORNEYS

Background

Your client has established, or intends to establish, a Third-Party sub-account within the PLAN of California Master Pooled Trust.

The PLAN of California Master Pooled Trust is a pooled Special Needs Trust authorized under federal law and administered by PLAN of California, a California nonprofit corporation. The trust is designed to preserve a beneficiary's eligibility for means-tested public benefits while providing supplemental support for quality-of-life needs.

Upon funding, the sub-account becomes irrevocable and is administered according to the terms of the Master Pooled Trust and applicable federal and state law.

Minimum Bridging Language Requirements

At a minimum, the client's estate planning documents should provide:

1. A statement that the beneficiary has a disability or special needs.
2. A statement acknowledging that the grantor has established a sub-account for the beneficiary within the PLAN of California Master Pooled Trust.
3. Direction that the Trustee, Executor, or Personal Representative distribute designated assets intended for the beneficiary directly to the PLAN of California Master Pooled Trust, or its successor trustee.

SAMPLE LIVING TRUST PROVISION

ARTICLE ___

DISTRIBUTION TO THE PLAN OF CALIFORNIA MASTER POOLED TRUST

A. Distribution for [Beneficiary Name]

It is my/our intention to provide for the future care and support of [Beneficiary Name], who has a disability and special needs.

I/We have established a sub-account for [Beneficiary Name] within the PLAN of California Master Pooled Trust ("PLAN Trust"), a pooled special needs trust administered by PLAN of California.

A copy of the executed Joinder Agreement is maintained with my/our estate planning documents. The terms of the Joinder Agreement, the PLAN Trust, and any amendments thereto are incorporated herein by reference.

The Successor Trustee shall distribute [all / a percentage of / a specified dollar amount] of the share allocated to [Beneficiary Name] directly to the then-serving Trustee of the PLAN Trust for the sole benefit of [Beneficiary Name].

Such distribution shall be made within [____] days following administration of the trust estate or as soon thereafter as reasonably practicable.

Because the funds are transferred directly from this Trust to the PLAN Trust before vesting in [Beneficiary Name], the resulting trust interest shall be treated as a Third-Party Special Needs Trust.

Alternate Provision

If, at the time distribution is to be made, the PLAN of California Master Pooled Trust is no longer in existence or is unable to accept the distribution, the Trustee shall distribute such funds to a successor pooled special needs trust or similar special needs trust arrangement that will preserve the beneficiary's eligibility for public benefits.

Funding Options

A PLAN of California Third-Party Special Needs Trust may be funded through:

During Lifetime

The grantor contributes assets directly into the trust sub-account during their lifetime. Once funded, the trust becomes irrevocable.

At Death Through Estate Planning

The grantor signs the Joinder Agreement during life and directs funding upon death through:

- A Living Trust
- A Will
- Life Insurance Proceeds
- Retirement Accounts
- Bank Accounts
- Investment Accounts
- Other beneficiary-designated assets

This is the most common funding method.

Important Considerations

Third-Party Trusts Only

This guidance applies only to Third-Party Special Needs Trusts funded with assets belonging to someone other than the beneficiary.

Beneficiary's Own Funds

If the beneficiary later receives assets in their own name (inheritance, settlement, retroactive benefits, etc.), those funds generally cannot be added to the existing Third-Party Trust sub-account. A separate First-Party Special Needs Trust may be required.

Irrevocability

Once funded, the PLAN Trust is irrevocable and administered according to the governing trust documents and applicable law.

Questions?

For information regarding:

- First-Party (Self-Settled) Special Needs Trusts
- Stand-Alone Special Needs Trusts
- Personal Support Services
- Funding Procedures

Please contact:

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