

## QUALIFIED INCOME TRUST (QIT) A GUIDE FOR TRUSTEES

### MEDICAID ELIGIBILITY

Georgia is one of the states with an “income cap” which disqualifies the individual with income over \$\_\_\_\_\_ per month for Medicaid benefits to pay for nursing home care or home and community based services. However, the law allows income to be placed in the Qualified Income Trust (QIT) under Medicaid guidelines.

#### **The Qualified Income Trust (QIT) deals only with income.**

The QIT needs to be established and properly funded the month the applicant is otherwise eligible for Medicaid benefits. The QIT must be properly funded in any month for which Medicaid benefits are requested. Properly funded simply means that you have deposited, at minimum, the difference between the specified state income cap (minus a dollar) and the applicant’s total income.

### THE QUALIFIED INCOME TRUST BANK ACCOUNT

The QIT checking account ideally is non-interest bearing and carries no services charges. As a practical matter, however, it may be difficult to establish a trust account with a local bank that does not carry a service charge. **Bank service charges are an allowable deduction from the individual’s income.**

The QIT bank account should be titled in such a way that it is identified as such, i.e. “The Qualified Income Trust.” The Trustee is the authorized signer on the account. Checks are imprinted with the same format as the account title. The trustee will receive the monthly statements. The bank may require that a tax identification number be obtained from IRS.

#### **Do not get a bank cash card or credit card from the QIT account.**

The trustee will save all records about the QIT account and will transfer those records to any successor trustee. These records will also be needed to prepare accounting and to respond to inquiries from the county Department of Family and Children Services on behalf of the Department of Community Health.

Please be advised that the Departments of Community Health and Family and Children Services cannot provide tax assistance with regard to the Qualified Income Trust. The trustee must consult with his/her Certified Public Accountant at the end of the calendar year to be certain that all IRS reporting requirements are met.

## HOW TO GET THE INCOME INTO THE QIT BANK ACCOUNT

Anyone can get the applicant's income into the QIT account by depositing it to that account; only the trustee can write checks to get funds out of the QIT account.

A check made payable to the trustee of the QIT must be written each month for the appropriate amount from the individual's regular checking account and deposited into the QIT account. If the applicant has capacity, he or she may sign the check each month on the regular checking account, and give it to the trustee for deposit to the QIT account.

If the QIT account is at the same bank as the applicant's regular checking account, an electronic transfer of funds can be arranged. The appropriate amount of money will be automatically withdrawn from the checking account and deposited into the QIT account each month. **It is important that this is done early in the month in order to maintain Medicaid eligibility** (payments for the individual's medical care must be paid by the end of month following the month of the receipt of the income).

Remember, the QIT deposits **must** consist of the **individual's income**.

## QUALIFIED INCOME TRUST PAYMENTS

After depositing the individual's countable monthly income into the QIT account, the trustee may write checks out of the QIT account. According to the terms of the trust, the funds in the trust must be used "on behalf of the Beneficiary under the applicable Medicaid program, such as Nursing Home...."

## CO-MINGLING PROHIBITED

None of the trustee's funds should be placed into the QIT account.

**Never put any money other than the individual's countable income into the QIT bank account.**

## TRUSTEE'S DUTY

The trustee should **never** pay QIT money to himself or herself for services rendered. However, if the trustee of the QIT is the community spouse, and a community spouse allowance payment is due, it is appropriate for the trustee to write a check to himself or herself. The DFACS worker will advise you of the appropriate amount.

## ACCOUNTING

The trustee must keep records (cancelled checks, receipts, tax returns, bank statements) and do regular accounting to all beneficiaries, including the individual and the county Department of Family and Children Services on behalf of the Department of Community Health.

At this time the Department of Community Health requires accounting every six months. The accounting must provide verification of adequate monthly deposits to the QIT, bank statements, and cancelled checks.

## TERMINATION

**The QIT terminates upon the death of the applicant, or upon the express written authorization and approval of the Department of Community Health.**

Any money left in the QIT after the death of the applicant is paid to the State of Georgia up to the total amount of benefits paid on behalf of the applicant for medical care. Any remaining funds are paid to the remainder beneficiaries as specified in the QIT document.

When terminating the QIT, the trustee must:

1. Stop the deposit of funds into the QIT.
2. Notify the county Department of Family and Children Services, and the Department of Community Health of the reason for termination.
3. Write a check for the balance of the trust fund made payable to "Georgia Department of Community Health." A copy of the bank statement should be enclosed to confirm that balance. A cover letter or memo must include a brief explanation that the enclosed check is from a QIT. The cover letter and check should clearly identify the decedent by name, Social Security number and/or Medicaid number. This will be mailed to:

Department of Community Health  
Third Party Administration  
ATTN: Estate Recovery Program  
P.O. Box 1984  
Atlanta, Georgia 30301-1984

**No other checks should be written from the QIT account after the individual's death.**