

STATE OF OKLAHOMA  
DEPARTMENT OF HUMAN SERVICES  
**MEDICAID INCOME PENSION TRUST**

Medicaid Income Pension Trust  
of

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This declaration of Trust is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
by \_\_\_\_\_ as Settlor of this Trust.

**ARTICLE I**

**NAME OF TRUST**

This Trust shall be known as the \_\_\_\_\_  
Medicaid Income Pension Trust.

**ARTICLE II**

**BENEFICIARIES**

\_\_\_\_\_ and the Oklahoma Health Care  
Authority (OHCA) shall be the sole beneficiaries of the Trust.

**ARTICLE III**

**PURPOSE OF TRUST**

The purpose of this Trust is to obtain Medicaid for \_\_\_\_\_  
from OHCA. To that end this Trust is designed to restrict the countable income of  
the beneficiary \_\_\_\_\_  
so that \_\_\_\_\_ will meet the income requirements for  
Medicaid eligibility in the State of Oklahoma. In return, \_\_\_\_\_  
intends that this Trust reimburse OHCA for all expenses paid on his or her behalf from the  
Trust at the time he or she ceases to receive Medicaid benefits.

It is the intention of the settlor of this Trust to create a Trust that will comply with the  
provisions of Section 1396p(d)(4)(B) of Title 42 of the United States Code (USC) as added  
by the Omnibus Budget Reconciliation Act of 1993, effective August 10, 1993.

**ARTICLE IV**

**APPOINTMENT OF TRUSTEE**

Settlor hereby appoints \_\_\_\_\_ as Trustee of this  
Trust. Trustee shall serve without bond.

**ARTICLE V**  
**TRUST PROPERTY**

Settlor hereby grants and assigns to the Trustee all the monthly income of \_\_\_\_\_ described in Schedule A, attached hereto and incorporated by reference. Notwithstanding the named items shown on Schedule A, no other assets or income shall ever be included in this Trust or added to this Trust other than those items allowed under the laws governing the Medicaid program. The Trustee acknowledges receipt, in Trust, of said property. No property other than the beneficiary's monthly income shall be used to fund this Trust. Such property is to be held, administered, and distributed according to the terms of this instrument.

**ARTICLE VI**  
**DISPOSITION OF INCOME AND PRINCIPAL**

**Distribution of principal and income while** \_\_\_\_\_ receives Medicaid.

a. **Approved payments for expenses of** \_\_\_\_\_ . For so long as \_\_\_\_\_ receives benefits under the Medicaid program for long-term care, the Trustee shall retain in the Trust each month an amount equal to \_\_\_\_\_ 's gross monthly income less the monthly income eligibility standard for long-term care currently in use by the Oklahoma Medicaid program. The Trustee may make distributions from this Trust to the beneficiary, the beneficiary's guardian, conservator, caretaker, authorized representative or by direct payment of the beneficiary's expenses.

All distributions made under this section are considered to be countable income of \_\_\_\_\_ in determining his or her eligibility for Medicaid benefits. Accumulated income in the Trust may only be used for medically necessary items not covered by Medicaid or other health programs or insurance.

b. **Approved deductions from distributions.** Deductions may be made from the Trust distribution to the same extent that deductions from the income of a nursing home resident who is not a Trust beneficiary are allowed under the Oklahoma Medicaid program, which include the following: a monthly personal needs allowance; payment to the beneficiary's community spouse or dependent family members, as provided and in accordance with Title XIX of the federal Social Security Act [42 U.S.C. § 1396r-5] specified health insurance costs; and any other deduction provided in the rules of OHCA.

c. **Maintaining existence of Trust.** Each month, the Trustee shall retain in Trust such amounts as are necessary to pay those expenses which are reasonably necessary to maintain the existence of the Trust, including but not limited to charges for a bank account, if any; preparation of an annual income tax return for the Trust; and preparation of an annual report, if required.

**ARTICLE VII  
TERMINATION OF TRUST**

This Trust shall terminate when \_\_\_\_\_ ceases to receive Medicaid benefits. Upon termination and payment by the Trust of any outstanding expenses of Trust administration, the principal and income of the Trust shall be distributed to OHCA or its successor agency up to an amount equal to the total Medicaid benefits paid on behalf of \_\_\_\_\_ by OHCA as reimbursement for the Medicaid provided for \_\_\_\_\_ subsequent to the establishment of this Trust. All Trust property remaining thereafter shall be distributed under the terms of the last will and testament of \_\_\_\_\_ or according to the laws of intestate succession.

**ARTICLE VIII  
TRUST ADMINISTRATION**

**Section 1. Modification or termination.** Settlor specifically states the terms and conditions contained in this Trust shall be irrevocable and not subject to amendment or revocation by any person, except as otherwise set forth herein. This Trust may be modified only by written agreement of the beneficiaries or written agreement of the Trustee and OHCA or successor agency.

**Section 2. Trust property not subject to probate.** Any property payable to this Trust or contained in this Trust shall not be subject to claims against the estate of \_\_\_\_\_ following his or her death, nor shall such property be subject to the control of the personal representative of \_\_\_\_\_ nor be included in the property administered as part of the probate estate of the beneficiary. Upon the death of \_\_\_\_\_ the property contained in the Trust shall pass as set forth herein and under no circumstances shall the property in this Trust be considered to be part of the probate estate of \_\_\_\_\_.

**Section 3. Inalienability.** No beneficiary shall have any right to anticipate, sell, assign, mortgage, pledge, or otherwise dispose of or encumber all or any part of the Trust property nor shall any part of the Trust property including income, be liable for the debts or obligations, including alimony, of any beneficiary or be subject to attachment, garnishment, execution, creditor's bill or any other legal or equitable process. The interests of the beneficiary of this Trust shall be held subject to a spendthrift Trust as set forth in Oklahoma Trust Act. This provision shall not bar any remedy sought by OHCA for the purpose of obtaining Trust distributions in accordance with this Trust declaration and applicable federal and state laws and administrative regulations.

**Section 4. Reports.** Periodic reports shall not be made except as required by the regulations of OHCA. The Trust records shall be open at all reasonable times to inspection by the beneficiaries of the Trust, including the Oklahoma Department of Human Services (OKDHS), OHCA and their designated representatives.

**ARTICLE IX  
POWERS OF TRUSTEE**

The Trustee may perform every act reasonably necessary to administer the Trust. In addition to all of those powers and duties specifically authorized in this instrument, the Trustee may exercise those powers and perform those duties set forth in the Oklahoma Trust Act together with any amendments to such Act subsequent hereto, and said Act as it exists at the date of the execution of this Trust is incorporated herein by reference and made a part hereof as fully as if it were set out at length herein. For the purpose of administering this Trust, the rules of OHCA shall supersede the provisions of the Oklahoma Trust Act.

**ARTICLE X  
TRUSTEE SUCCESSION AND ADMINISTRATIVE PROVISIONS**

**Section 1. Resignation or death of the Trustee.** Any Trustee may resign by giving 30 days written notice to \_\_\_\_\_, or to the guardian, conservator or other legal representative of \_\_\_\_\_. Such resignation shall be effective 30 days from the date notice is given. In the event the Trustee resigns or dies while holding office, \_\_\_\_\_ shall serve as Successor Trustee. If \_\_\_\_\_ resigns, or dies while holding office, \_\_\_\_\_ shall appoint a Successor Trustee.

**Section 2. Rights of successors.** Every Successor Trustee shall have all the title, rights, powers, privileges and duties conferred on or imposed upon the original Trustee, without any conveyance or transfer. No Successor Trustee shall be responsible for any act or omission to act on the part of any previous Trustee.

**Section 3. Compensation.** The Trustee shall be entitled to reasonable compensation not to exceed 3% of the funds added to the Trust that month.

**ARTICLE XI  
DEFINITION**

Except as otherwise provided, definitions of terms in this Trust shall be in accordance with the Oklahoma Trust Act.

Any reference in this Trust to OKDHS or OHCA shall include any successor public agency or program that becomes vested with the responsibility for providing publicly supported benefits to eligible Oklahoma residents.

ARTICLE XII
CONSTRUCTION

Section 1. Conformity with statutes. In case of ambiguity or conflict, this Trust should be construed in such a manner and shall be deemed to comply with the provisions of the Oklahoma Trust Act.

Section 2. Applicable law. The validity of this Trust shall be determined by reference to the federal law and the laws of the State of Oklahoma. Questions of construction and administration of this Trust shall be determined by reference to the federal law and the laws of the State of Oklahoma.

Section 3. Headings of articles and sections. The headings of articles and sections are included solely for convenience of reference, and shall have no significance in the interpretation of this agreement.

Signed by \_\_\_\_\_
Settlor herein, and by \_\_\_\_\_ who by his or her signature
accepts the office of Trustee on the date indicated on page 1.

\_\_\_\_\_
Settlor

\_\_\_\_\_
Trustee of the Medicaid Income Pension Trust

STATE OF OKLAHOMA )
) SS
COUNTY OF \_\_\_\_\_ )

SIGNED, SWORN TO AND ACKNOWLEDGED before me by \_\_\_\_\_
as Settlor of the Medicaid Income Pension Trust and \_\_\_\_\_
as Trustee of the \_\_\_\_\_ Medicaid Income Pension Trust.

\_\_\_\_\_
Notary public, State of Oklahoma

My commission expires: \_\_\_\_\_.