

RCW 11.107.060 Decanting statute—Trust for beneficiary with a disability. (1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Beneficiary with a disability" means a beneficiary of the first trust who the trustee believes may qualify for governmental benefits based on disability, whether or not the beneficiary currently receives those benefits or is an individual who has been placed under a guardianship or conservatorship under chapter 11.130 RCW.

(b) "Governmental benefits" means financial aid or services from a state, federal, or other public agency.

(c) "Special needs trust" means a trust the trustee believes would not be considered a resource for purposes of determining whether the beneficiary with a disability is eligible for governmental benefits.

(2) A trustee may exercise the decanting power under RCW 11.107.020 and 11.107.030 over the property of the first trust as if the trustee had authority to distribute principal to a beneficiary with a disability subject to expanded discretion if:

(a) The second trust is a special needs trust that benefits the beneficiary with a disability; and

(b) The trustee determines that exercise of the decanting power will further the purposes of the first trust.

(3) In an exercise of the decanting power under this section, the following rules apply:

(a) The provisions of the second trust for a beneficiary with a disability may:

(i) Meet the medicaid law requirements for an account in a pooled trust for a beneficiary with a disability under 42 U.S.C. Sec. 1369p(d)(4)(C), as amended, including requiring a payback to the state of medicaid expenditures of funds not retained by the pooled trust; or

(ii) Meet the medicaid law requirements for a trust for the sole benefit of a beneficiary with a disability under age sixty-five under 42 U.S.C. Sec. 1369(d)(4)(A), as amended, including requiring a payback to the state of medicaid expenditures.

(b) RCW 11.107.020(1)(a)(iii) does not apply to the interests of the beneficiary with a disability.

(c) Except as affected by any change to the interests of the beneficiary with a disability, the second trusts, in the aggregate, must grant each other beneficiary of the first trust beneficial interests in the second trusts which are substantially similar to the beneficiary's beneficial interests in the first trust unless inconsistent with (a)(i) or (ii) of this subsection (3). [2020 c 312 s 720; 2017 c 29 s 6.]

Effective dates—2020 c 312: See note following RCW 11.130.915.