

Subject Foster children SSI benefits trust

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Overview

Under current statute, an agency that is financially responsible for a child in foster care may apply to receive the child's Supplemental Security Income (SSI) benefits, if applicable, for the duration of the child's out-of-home placement. This bill requires financially responsible agencies to apply to become the payee for a child, and to then deposit payments received into a newly established foster children SSI trust. The bill outlines requirements related to the trust and disbursement to beneficiaries (children currently or formerly in foster care), requires the commissioner of human services to reimburse financially responsible agencies for deposits made into the trust, and appropriates money for that purpose.

Summary

Section	Description
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1	Treatment of Supplemental Security Income.
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Amends § 256N.26, subd. 12. Removes language allowing the financially responsible agency to apply to become the payee for a child in foster care's SSI benefits.

2	Foster children SSI trust.
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Proposes coding for § 256N.262.

Subd. 1. Definition. Defines "beneficiary" for purposes of this section.

Subd. 2. Establishment. Establishes the foster children SSI trust, for deposits made by the commissioner of human services to be held in trust for the exclusive benefit of foster child beneficiaries. Specifies trust management and account requirements.

Subd. 3. Requirements of financially responsible agencies. Paragraph (a) requires agencies to assess whether each child is eligible to receive SSI benefits.

Section	Description
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Paragraph (b) requires the agency to apply to be the payee for the child's SSI benefits, then, within 90 days of receiving payments, to remit payments to the commissioner of human services. Also requires the agency to notify each beneficiary over the age of 18 that the beneficiary may be entitled to disbursements from the trust, and requires the agency to retain all documentation related to the SSI benefits received for at least five years after the agency is no longer financially responsible for the child.

Paragraph (c) specifies that the agency is liable to the beneficiary for any payments not sent to the commissioner as required.

Subd. 4. Deposits. Requires the commissioner to deposit all money sent under this section to the foster children SSI trust.

Subd. 5. Commissioner's duties. Specifies the commissioner's duties related to the foster children SSI trust regarding recordkeeping, interest earnings, capital gains earnings apportionment, notification of children between ages 14 and 18, and specifies data classification.

Subd. 6. Reimbursement. Requires the commissioner to reimburse responsible agencies for all SSI benefits sent to the commissioner.

Subd. 7. Reports. Requires a report to the legislature by December 1, 2023, on the potential tax and state and federal benefit impacts of the trust and disbursements on beneficiaries. Requires an annual report to the legislature on the cost of reimbursing financially responsible agencies pursuant to this section and projected future costs.

Subd. 8. Disbursements. Requires the commissioner to disburse \$10,000 each year to a beneficiary who has turned 18, until the beneficiary's account is depleted, and to include information about tax and benefits consequences. Allows a court to order the commissioner to disburse funds to a petitioning minor beneficiary who is at least 14 years old.

Subd. 9. Administration. Requires the commissioner to administer the trust program; allows the commissioner to contract with third parties for trust management and administration.

3 **Appropriation.**

Appropriates money from the general fund to the commissioner of human services to reimburse financially responsible agencies for SSI benefits sent to the commissioner pursuant to section 2.



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