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Qualified Income Trusts

What Is A Qualified Income Trust?

A Qualified Income Trust, sometimes called a “Miller Trust” or a “QIT,” is a trust you can establish to qualify for Medicaid or to maintain your income eligibility for Medicaid.

How Does A Qualified Income Trust Work?

A Qualified Income Trust (QIT) is created using a form, then a trust account is set up with a bank. The money you deposit from your income into the trust account each month will be excluded from your gross monthly income for Medicaid income eligibility purposes.

Do I need A QIT?

In order to qualify for Institutional Medicaid, your monthly gross income must be less than Ohio Department of Medicaid’s Special Income Level (SIL), which is 300% of the Supplemental Security Income (SSI) federal benefit rate. Therefore, if your monthly gross income is more than $2,901, the 2025 SSI rate ($967) times three, your income is too high for you to qualify for Institutional Medicaid in Ohio. But, if you deposit some of your income into a Qualified Income Trust, the amount deposited will not count towards the $2,901 gross income cap. In this way, you can reduce your gross monthly income in order to become eligible for Institutional Medicaid.

It is good practice to review the amount of income that you deposit into a QIT each January, because both the SSI federal benefit rate and most retirement income increases every year. You are not required to deposit all of your income into the QIT account, only a large enough portion of your total monthly income to reduce the remainder below the income cap, $2,901.

Your income can include both earned income, such as wages, and unearned income, such as pension benefits, interest on savings, dividends on stock and Social Security benefits. When determining your income, use the gross amount — that is, your income before deductions for taxes, Medicare premiums, child support and other expenses.

Note that a QIT only addresses your income eligibility. Medicaid eligibility is also based on your resources, generally meaning your countable resources must be below $2,000. See Pro Seniors’ Institutional Medicaid fact sheet for more details.

What Are The Legal Requirements For A Valid QIT?

The QIT can only be funded with your income. It cannot be funded with other assets, such as the proceeds from the sale of property, or someone else’s income or property. The Trust must be irrevocable. This means you cannot reverse any transfers into the Trust. The trust document must provide that, upon your death, all funds remaining in the trust are to be distributed to the Ohio Department of Medicaid.

How Do I Set Up A Qualified Income Trust?

First, you will need a trust document. The State of Ohio has created a QIT form you can use. You can find it on the Ohio Dept of Medicaid's website.

Second, you must set up a QIT Trust Account with a bank, savings and loan association, or credit union. Call ahead because some financial institutions do not offer this type of account. Some banks will allow you to serve as the trustee of the QIT account; other banks may require an independent trustee, who may be a friend or relative. Either way, you can use your own social security number for tax reporting purposes. The financial institution may charge a monthly fee, not to exceed $15.00, to maintain the trust account.

Third, although you need only deposit a portion of your monthly income into the QIT account, you must make a large enough deposit to reduce your remaining income below the Medicaid monthly income cap, $2,901 (2025). Also, it is always a good idea to deposit a little extra into the QIT account as a cushion against unexpected income increases, because if your remaining monthly income is $2,902, this extra dollar means your remaining monthly income would be too high for you to qualify for Medicaid.

Fourth, you must send a copy of the trust document, Ohio Department of Medicaid, Qualified Income Trust Verification Form, ODM10193 and proof of the initial deposit, to your County Department of Job and Family Services along with your Medicaid application.

Fifth, you must arrange for monthly deposits into the trust account to ensure that your monthly income will never exceed Medicaid limits. Direct deposits are not required; however, they are strongly encouraged, because a deposit must be made into the QIT account each month to maintain your Medicaid eligibility.

Sixth, you need to withdraw the deposits each month before the end of the month for authorized expenses.

How Can I Spend The Money Deposited In The QIT Account?

You can use the money you deposit into the QIT account to pay the following monthly allowances and expenses, in the following order (see Pro Seniors' Institutional Medicaid fact sheet for more details):

1) Your personal needs allowance;
2) A monthly maintenance allowance for your spouse;
3) A monthly maintenance allowance for your family dependents;
4) Medical expenses you incurred;
5) Your patient liability — that portion of your monthly care expenses for which you are responsible after Medicaid benefits are applied; and
6) The bank's monthly fee, not to exceed $15.00, for maintaining the QIT account.

You must make these withdrawals from the QIT account by the last day of the same month in which you deposited that month's income into the QIT account.

What Must I Do To Keep My Medicaid Benefits After Setting Up A QIT?

Be sure to deposit your excess income into the QIT account the same month you receive your income. Do not allow income to accumulate in the QIT account, because transferring the accumulated income for the wrong reason can cause a penalty period to be assessed for improper transfers. You must make the QIT account deposits and withdrawals each month to maintain your Medicaid income eligibility.

If your income varies, the amount of your monthly deposit may change. Be sure to retain all bank statements because you will need to show the County Department of Job and Family Services' caseworker during your annual Medicaid recertification that you were in fact income-eligible each month of the past year. You also must report, within 10 days, any change in your circumstances that may affect your Medicaid eligibility to your County Department of Job and Family Services.

Pro Seniors helps older Ohioans solve legal and long-term care problems and fight Medicare fraud. Our Legal Helpline provides free legal information and advice for Ohio residents aged 60 and older.

This fact sheet provides general information, not legal advice. The law is complex and changes frequently. Before you apply this information to a particular situation, call Pro Seniors' free Legal Helpline or consult an attorney in elder law.

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