



Finances

Quick Guide to Crowdfunding

Crowdfunding (asking for donations from others) may be an effective way to help pay for medical and other expenses. While crowdfunding can be done in person, it is most often done online. Individuals can create their own crowdfunding campaign, or create one to help someone else. Generally, crowdfunding campaigns include information about the person who will benefit from the fundraiser and why they need financial help. That personal story can help motivate people to give. Once a fundraiser has been created, it can be shared electronically (e.g., via email or on social media), to help increase the number of potential donors.

With the increased cost of health care, crowdfunding for medical expenses has become popular. Funds raised through crowdfunding are classified as gifts by the IRS, so they typically are not considered taxable income and are considered “unrestricted” funds. This means that the funds raised can be used for any expenses an individual might have.

Crowdfunding Platforms:

Each platform has its own set of rules and fees. The following sites specifically cater to medical crowdfunding:

- **Gofundme:** When you create a fundraiser you set a fundraising goal, and you must meet the goal in order to collect funds. No cost to set up a fundraiser, but the platform deducts 2.9% + \$0.30 per donation. (gofundme.com)
- **GoGetFunding:** No fee to create fundraiser, and the beneficiary receives any money raised, even if the goal is not met. GoGetFunding charges 6.9% + \$0.30 per donation. (gogetfunding.com)
- **Fundrazr:** No fee to create fundraiser. But additional fees vary depending on the fundraising option you choose. Fundrazr has two options for campaigns: “Keep it All” or “All or Nothing.” If a “Keep it All” campaign is chosen the beneficiary receives any money raised, even if the goal is not met. (fundrazr.com)
- **Fundly:** Mobile app only for iOS devices and Facebook integration. There is no fee to establish a fundraiser, and the beneficiary receives any money raised, even if the goal is not met. You do not have to meet your goal or deadline to collect funds, but you do have to pay a 4.9% fee to the platform and a 2.9% + \$0.30 fee per transaction. (fundly.com)
- **Plumfund:** No platform fee, but there is a fee of 2.59% + \$0.49 per transaction. (plumfund.com)



Crowdfunding Considerations:

While crowdfunding may be a useful tool to cope with the financial burden of a cancer diagnosis, there are some possible ramifications everyone should consider before starting a campaign.

- **Disclosure:** Sharing your diagnosis publicly can have implications for your personal and professional lives. Creating a crowdfunding campaign for medical expenses makes this information public. If you have concerns about disclosure, crowdfunding may not be right for you. For more information about disclosure decisions, visit: TriageHealth.org/quick-guides/disclosure.
- **Taxes:** Although the IRS typically considers funds raised through crowdfunding non-taxable, there have been cases of individuals being taxed. It can be useful to carefully document these funds for tax purposes and to discuss your situation with a tax professional. For more information about finding a tax professional, visit IRS.gov.

- **Income-Based Programs:** Many individuals diagnosed with a chronic or serious illness rely on government benefits or programs based on their income level. For some of these programs, the funds raised through crowdfunding may impact eligibility. For example, if an individual is receiving benefits such as Medicaid, Supplemental Security Income, Supplemental Assistance Nutrition Program (SNAP; Food Stamps), or income-based tuition assistance, receiving a payout from a fundraiser may impact eligibility for those programs.
 - Some may consider establishing a fundraiser and having friends or family members accept funds on their behalf, and then pay for their needs from those funds. However, this arrangement may be considered “in-kind maintenance” and could still impact benefits. In-kind support and maintenance is food or shelter that somebody else provides for you. The Social Security Administration will consider in-kind support and maintenance as income when it calculates the amount of SSI benefits. For example, if someone helps pay for your rent, mortgage, food, or utilities, SSI benefits will be reduced depending on the value of the help you receive. For more information about in-kind maintenance, visit [SSA.gov](https://www.ssa.gov).

Possible Solutions:

If you are concerned about the impact of crowdfunding on current benefits, there are possible solutions to consider:

- **ABLE Accounts:** These are savings accounts for individuals with disabilities and their families. The beneficiary of an ABLE savings account is the account owner, and contributions can be made by anyone (including family and friends) using post-taxed dollars. The most significant impact of ABLE accounts is that the funds will not be counted against individuals for the purpose of determining eligibility for governmental programs. To be eligible to open an ABLE account, the disability must have begun prior to the individual turning 26, and the medical condition must meet the Social Security Administration’s (SSA) definition of disability. ([ablencr.org](https://www.ablencr.org)) Starting in 2026, people who had a disability prior to turning 46, and meet the other requirements, will be able to open an ABLE account.
 - In 2024, annual contributions are limited to \$18,000; however, accounts can generally hold a balance of up to \$100,000. Under the ABLE to Work Act, individuals who are working may be eligible to contribute more than \$18,000. The additional ABLE contribution is up to the lesser of:
 - the federal poverty level for a one-person household (\$15,060 in 2024) or
 - the account owner’s compensation for the taxable year.
 - Funds included in ABLE accounts must be used for “qualified disability expenses,” which are any expenses, transportation, assistive technology, personal support services, education, and other expenses to enhance the beneficiary's quality of life.
 - An ABLE account can be opened by a beneficiary, parent, guardian/conservator or agent designated through a power of attorney for financial affairs. ABLE accounts are established through the state, and each state has slightly different procedures.
- **Special Needs Trusts:** (aka supplemental needs trusts) allow individuals with a disability to hold unlimited assets in a trust for their benefit. Similar to ABLE accounts, the advantage of these trusts is that assets in the trust are not considered “countable assets” for government benefits based on income/resource limits (e.g., SSI or Medicaid).
 - Funds will not count towards taxable income, but must be used for specific goods and services to improve the beneficiary’s life. A special needs trust may supplement care the government provides. For example, the trust may pay for hours of home health care in addition to those paid for by Medicaid.
 - There are specific requirements that must be met to establish a valid special needs trust, including:
 - The beneficiary must be younger than 65 at the time the trust is established
 - The trust is irrevocable
 - Trustee has sole and absolute discretion over use of trust funds for the sole benefit of the recipient of government benefits (i.e., trustee can’t be required to pay the beneficiary directly from the trust)
 - There are three main types of SNTs:

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- First Party SNTs: (“stand-alone” SNT) can be contributed to by multiple individuals, and are immediately accessible to the beneficiary. First-Party SNTs can be established at any point before the beneficiary turns 65 years old as long as they meet SSA’s definition of disability.
- Pooled SNTs: often run by nonprofit organizations, are created to administer master special needs trusts on behalf of individual beneficiaries. Assets are pooled and funds are given to beneficiaries in proportion to their share of the total amount. Pooled SNTs can be established at any point before the beneficiary turns 65 years old as long as they have a disability or moderate impairment.
- Third-Party SNTs: created by a third-party, commonly a family member, to benefit an individual with special needs. The beneficiary is not permitted to contribute to these SNTs. Third-Party SNTs can be established at any point during the life of the beneficiary even if they do not yet have a disability.

For more information about other estate planning options, visit TriageHealth.org/estate-planning.

Medicaid Pay-Back

- When an individual who received Medicaid passes away, any funds remaining in an ABLÉ account, first party SNTs, or certain pooled SNTs, must be reimbursed to the state for Medicaid services the beneficiary received after those accounts were established. This is commonly referred to as “Medicaid pay-back.”

Overview of Trust Account Options

	ABLE Account	First Party SNT	Pooled SNT	Third Party SNT
How to Establish	Online through state website. No Attorney needed	Attorney Recommended	Attorney Recommended	Attorney Recommended
Allowed # of Accounts	1	May have multiple	May have multiple	May have multiple
Disability Onset Required	Prior to age 26 (starting in 2026, prior to 46) Meets SSA disability definition	Prior to age 65 Meets SSA disability definition	Prior to age 65 Disability or moderate impairment	Any age No disability required
Maximum Contributions	\$18,000 per year (unless beneficiary is working)	No maximum	No Maximum	No maximum
Who Can Contribute	Anyone	Beneficiary only	Anyone	Any third party (but not the beneficiary)
Allowed Use of Funds	Qualified disability expenses (e.g., housing, education, health care, etc.)	As determined by Trustee	As determined by Trustee	As determined by Trustee
Who Controls Distributions	Designated Beneficiary (unless has guardian)	Trustee	Trustee	Trustee
Distributions to pay housing costs considered income for SSI?	No	Yes. Payments will reduce SSI by 1/3 + \$20	Yes. Payments will reduce SSI by 1/3 + \$20	Yes. Payments will reduce SSI by 1/3 + \$20
Medicaid Pay-Back	Yes (Except in PA)	Yes	Yes	No
Remainder of the Trust	To heirs named in account holder’s estate	To heirs named in the Trust	Depends on the state. Typically, money stays with organization to cover admin costs	To heirs named in the Trust

For more information about managing finances, visit TriageHealth.org/navigating-finances and CancerFinances.org.

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