

## STAND-ALONE TRUST FOR FIRST AND THIRD PARTY TRUSTS

Use of these trusts are limited and require prior approval by the ACT for Life Services Board of Directors.

At the absolute and sole discretion of Life Services:

- A corporate co-trustee may or may not be secured.
- A bank to hold assets may or may not be secured.
- A financial manager may or may not be hired to manage assets held in the trust.
- A accounting firm / CPA may be hired to produce all needed tax materials.
- All other services as needed, including legal services will be secured.

Any fees or costs for the above services will be charged to the Trust.

All investment decisions will be solely made by Life Services or the corporate Co-Trustee, following the Life Services Investment Policy.

## TRUST FEE SCHEDULE (SERVICES PROVIDED UPON FUNDING THE TRUST ACCOUNT)

### GENERAL FEE INFORMATION

All Trustee Fees and Commissions will be based on the total value of the assets in trust, including the appraised market value of any real-estate or property and the full value of any tax deferred assets held in trust (such as a Beneficial IRA). Life Services will use the appropriate Trustee Fees and Commissions per state law or rule for the state the trust is based in. In the absence of state established Trustee Fees and Commissions, for the state that the trust is based in, Life Services use the following fee schedule:

### ANNUAL FLAT FEE

**\$750**

An annual fee, for all Trusts that have less than \$100,000 in their Account. This fee will be taken at the time the Trust Account is funded and at the beginning of each calendar year thereafter.

### ANNUAL PERCENTAGE FEE (IN ADDITION TO THE ANNUAL FLAT FEE, IF APPLICABLE)

As determined by the balance in each Trust Sub-Account on the last day of each month, charged in the following month.

For all accounts, for the first \$1,000,000 in the account:  
For all accounts, on the next \$1,000,000 in the account:  
For all accounts, on the next \$3,000,000 in the account:  
For all accounts, on the next \$5,000,000 in the account:  
For accounts over \$10,000,000 in the account:

**1.00% per year, pro-rated monthly**  
**0.65% per year, pro-rated monthly**  
**0.55% per year, pro-rated monthly**  
**0.45% per year, pro-rated monthly**  
**A special fee may be negotiated**

# TRUST EXPENSES AND OTHER COSTS

## CO-TRUSTEE AND CUSTODIAN OF THE ASSETS FEE

In accordance with the Life Services agreement with any Bank serving as Co-Trustee and Custodian of the Assets, all Beneficiary Trust Sub-Accounts will also be charged a percentage fee. This fee schedule will be available upon request.

## TRUST TAX PREPARATION FEES

The actual cost of generating the required tax returns for the Trust will be charged to the Trust.

## TRUST EXPENDITURES FOR SUPPLEMENTAL ITEMS

Any purchases that the Trust makes on behalf of the Beneficiary will be charged at the actual cost to the Trust Beneficiary, including applicable sales tax. The Life Services tax exempt status does not apply to Trust purchases for Trust Beneficiaries.

## TRUST EXPENDITURES FOR SUPPLEMENTAL PERSONAL ADVOCACY SERVICES (OPTIONAL)

Personal Advocacy services are charged at the Life Services current rate, which is determined by the actual cost of the Personal Advocate (including travel time), with an additional 25% overhead charge based on the cost of the Personal Advocate. In addition to the Personal Advocate costs, all costs for transportation and expenses will also be charged to the Trust.

## OTHER FEES AND FEE INFORMATION

- Life Services Account Closing Fee: \$500
- Trust expenses and fees are deducted before payment of Beneficiary requested disbursements.
- Trust Accounts being fully expended (in addition to the closing fee) will have prior year plus current year tax preparation fees deducted from the account. All calculated taxes owed will be deducted from the account prior to final disbursements from the account, closing the Account.
- Taxes incurred on trust assets will be deducted from the account balance at least annually.
- In the event that Life Services has to do more than receive, review and approve a bill and must take action to obtain the bills, clarifications of the bill, to perform data entry to verify credit card charges on behalf of the Beneficiary and/or place on-line orders (more than simply approving and placing the order) on behalf of the Beneficiary, there will be a flat fee of \$25.00 charged, or a fee based on the Personal Advocacy Services program (detailed above), whichever is greater. Also, actual costs for express mailing will be charged.
- For any property that Life Services is trustee on, Life Services will require an annual home inspection (cost payable by the Trust that owns the property) to assure that the property is in good condition and being maintained to preserve the value and safety of the property. In addition to the annual home inspection, Life Services, as trustee, reserves the right at any time to inspect the property with a minimum of a twenty-four hour notice, barring any emergency situation.
- As needed, appraised market values for any property owned by the Trust will be obtained (cost payable by the Trust that owns the property).
- Upon opening of a Trust Account, Life Services will provide (if requested) a one-time training and set-up session to facilitate orders at no cost to the Beneficiary (not to exceed two hours) to assist the Beneficiary to avoid service charges for billing and ordering on-line items.
- All fees are subject to change.

## TRUST EXPENDITURES FOR SUPPLEMENTAL ITEMS

The following items or services will not be purchased by the Life Services Trust:

- Prostitution
- Bail or Bond
- Weapons, Firearms or Ammunition
- Illegal drugs under local, state or federal law
- Any items regarded as illegal under local, state or federal law

Cash distributions will never be made to the Beneficiary.

Life Services will only purchase items on behalf of the Beneficiary with specific requests from the Beneficiary. These requests can be by phone, but preferably via email, fax or in letter form in a legible format.

Life Services may also provide Advocacy Services to go shopping with a Beneficiary to purchase items together (with advance arrangement and with the cost of the advocate being charged to the Beneficiary).

- For Online/Website order requests, the requested item(s) must be exactly identified, including sizes and colors. Life Services will only order items that do not require any ordering decisions by Life Services. These types of orders may take up to two weeks to process (not including shipping).
- For Online/Website orders, it the responsibility of the Beneficiary to receive all orders and if needed to return them if they are not correct, don't fit, etc. at the cost of the Beneficiary. The Trust will not reimburse the account for expenditures made if the Beneficiary does not return them and/or identify that they did not receive the order in a timely manner.
- For Online/Website orders, Life Services reserves the right to not fulfill requests from websites that are not secure, are located overseas and/or are potentially not legitimate sites.
- Arranging a Personal Advocate to shop with a Beneficiary may take several weeks. Advance notice and preparation is required.
- For all purchases made by Life Services on behalf of a Beneficiary, it is not the policy of Life Services to automatically purchase extended warranties or service agreements without the express written request of the Beneficiary to do so.

Life Services may pay a credit card bill on behalf of the Beneficiary if presented with the credit card bill and receipts for all purchases that payment is being requested for. Only appropriate expenses will be paid by the Trust, based on the Beneficiary's government entitlement benefits (to not reduce or eliminate them) and will not include: gifts for others, meals for anyone other than the Beneficiary, activity expenses for anyone other than the Beneficiary (unless the Beneficiary could not participate in the meal or activity without the assistance of another person, family member, paid staff or volunteer). Up to two weeks may be needed to process the credit card bill on behalf of the Beneficiary. Any failure to identify that expenses are not for the sole benefit of the Beneficiary, when detected will not be paid and may result in Life Services no longer agreeing to pay for the Beneficiary's credit card bills. It is the sole responsibility of the Beneficiary to identify any purchases that are not for the sole benefit of the Beneficiary, or that are considered food and shelter expenses.

For Beneficiaries over the age of 21, the Trust may:

- Purchase (and/or pay for via the personal credit card of a Beneficiary) tobacco products, such as cigarettes, cigars and electronic smoking materials.
- Purchase (and/or pay for via the personal credit card of a Beneficiary) alcoholic beverages, provided:
- There is no guardian for the Beneficiary.
- The Beneficiary acknowledges that by their purchase of alcoholic beverages for their personal consumption, that this will not negatively impact or jeopardize their health status.

For individuals receiving SSI or other government entitlement benefits that may be reduced or eliminated by the Trust paying for In Kind Support and Maintenance, such as shelter (rent, electricity and water), or groceries, the Trust may pay for these items, with a written agreement between the trust and the trust Beneficiary acknowledging that their benefits will be reduced.

Life Services, on a case by case basis, may purchase a cell phone and service agreement on behalf of a Beneficiary for their personal use only. If any other use of the cell phone is detected, if the cell phone is used for any illegal or illicit purposes, the cell phone services will be immediately terminated and all expenses related to the termination of the cell phone (penalties for early termination, remaining charges, etc.) will be charged to the Trust.

On an annual basis, the Beneficiary may receive a K-1 Tax Form from the Trust. It is the responsibility of the Beneficiary to annually file individual Local, State and Federal Tax Returns. At the Beneficiaries request, Life Services can refer the Beneficiary to a CPA. Tax preparation is a permissible Trust expense and if requested by the Beneficiary, the expense may be charged to the Trust.

Life Services and Co-Trustee require a minimum of 10 business days to process and make payment via check to the requested creditor (provided it is approved by the Trustee).

Life Services will require a legal review (at the cost of the Beneficiary) to insure that liability protections are available and in place prior to the purchase of any motorized vehicle by the Trust. If protections and funds are determined not to be adequate to protect the Trust from potential liability, then Life Services will not permit the Trust to purchase a motorized vehicle for the Trust Beneficiary. If the Trust purchases a motorized vehicle, the Trust will place a Lien on the motorized vehicle.

Life Services may permit, if there are adequate funds, the Trust to pay for Beneficiary legal services (such as, but not limited to: criminal defense and preparation of Last Will and Testament, Health Care Proxy, Power of Attorney and guardianship expenses), but only with a cost limited contract (no open ended exposure) with the provider of the legal services.

Life Services, may permit, if there are adequate funds, for the Trust to pay any legal medical treatments (under local, state or federal law), for Trust Beneficiaries not otherwise covered by government entitlements or private insurance (including family planning and contraception).

## **FORMS & INFORMATION REQUIRED TO OPEN A TRUST ACCOUNT**

Upon the death of the Beneficiary, the Trust will require a Certified Copy of the Death Certificate, before the account is closed and remaining funds disbursed.

# TRUST ESTABLISHER / TRUSTEE ACKNOWLEDGEMENTS AND RECEIPT OF THIS TRUST INFORMATION PACKET, FEE SCHEDULES, AND OTHER CONDITIONS

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges that they received, read and understood this Special Needs Trust Information Packet.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges that they are responsible to comply with Medicaid regulations and policies concerning disclosure of Trust Assets.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges that they received, read and understood this Special Needs Trust Information Packet.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges that they are responsible to comply with Medicaid, Social Security and Housing regulations and policies concerning disclosure of Trust Assets.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges that if they request and if the Trust pays for Food and Shelter expenses, this may result in a reduction or elimination of their Supplemental Security Income, the creation of a co-payment, spend down and/or elimination of Medicaid benefits, or a negative impact on other entitlement benefits that the Beneficiary is receiving. In addition, the Beneficiary acknowledges that it is their sole responsibility to notify the applicable governmental entities of the Trust's payment for Food and Shelter Expenses paid on their behalf.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges and approves that in the administration of the Trust, the trustees are permitted to disburse Trust funds to Disabled and Alone/Life Services for the Handicapped, Inc. on behalf of the Beneficiary, with this express written consent.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges and approves that if the Trust requires, monthly and/or annual statements shall be mailed to the Trust Beneficiary, Establisher and/or Guardian, as applicable. The cost to prepare an informal or formal accounting, including any court involvement, shall be an appropriate expense chargeable to the Trust.

**TRUST ESTABLISHER(S)/TRUSTEE(S)** hereby acknowledges that any changes to this document will not require new signatures authorizing the changes and that the revisions to this document may simply be mailed or emailed to the Sponsor(s) if living and/or the Beneficiary, as appropriate.

Disabled And Alone/Life Services for the Handicapped, Inc. may receive fees in payment for services as Co-Trustee of The Life Services Third Party-Funded Trust for People with Disabilities, as well as fees associated with its Advocacy Services, if provided to the Beneficiary.

Disabled And Alone/Life Services for the Handicapped, Inc. may receive fees in payment for services as Co-Trustee of Life Services Third Party-Funded Trust for People with Disabilities, Amended and Restated May 26, 2005, including attorney fees for expenses generated specifically related to the Trust.

**CALL 800-995-0066 / 212-532-6740 FOR YOUR FREE CONSULTATION  
ON HOW LIFE SERVICES CAN ASSIST YOU AND YOUR FAMILY.**



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**Disabled and Alone / Life Services for the Handicapped, Inc.**

Referred to as: Life Services, Life Services for the Handicapped, and ACT for Life Services