

POOLED THIRD PARTY SPECIAL NEEDS TRUST

Trusts permit individuals with disabilities to maintain their government benefits and provide supplemental extras to ensure a higher quality of life. The Life Services Pooled Trust is designed to reduce costs and maximize benefits for individuals with disabilities. Life Services has engaged KeyBank N.A. to act as Co-Trustee Investment Manager of trust assets using a diversified portfolio. Trust Services and benefits include:

- Expedited use of an existing Trust, with minimal costs and time to open and fund an Account
- Monthly statement provided to the Beneficiary or Designated Person
- Automatic Bill Payments
- Electronic Bill Payments
- Unlimited Bill Payments
- Issue VISA debit and MastercCrds, if applicable
- Trust Performance – Annualized Returns, 2010 through 2020 in excess of 7%
NOTE: past performance is not a guarantee of future performance
- Online Trust Account view access
- The annualized Weighted Average Expense Ratio percentage (for assets held by the Trust) is estimated to be: 0.1968%

The funds within the trust are pooled for investment and administration purposes only: **individual Trust Accounts are created for each Beneficiary; there is no sharing of funds between beneficiaries.** The Trust tracks all activity and total account value at all times, for each Beneficiary Account.

Trust Accounts are typically funded upon the deaths of individuals (e.g. family members) via their Wills, Living Trusts or Insurance Policies, directly funding the Trust Account for the Beneficiary. At the discretion of the Trust, other relatives and friends may also fund the Trust Account. Separate Trust Accounts can be created to hold tax-deferred assets to minimize taxation and maximize investment returns.

Upon request, review and approval of Life Services, the agency also has the ability to serve as trustee for stand-alone trusts. Please inquire with Life Services to determine if this option is available for use.

The information in this packet is for general information purposes only and is subject to change. Consultation with your personal attorney is advised prior to opening any Trust Account with Life Services.

GETTING STARTED

In order to participate in the Life Services Trust, a Trust Account must be opened and funded with an initial amount of \$2,500 (or more, if so desired by family).

- Life Services does not charge any trustee fees to this account until funded with more than \$20,000.
- KeyBank will charge their applicable fees.
- There are no expenditures provided on behalf of the trust Beneficiary from this Trust Account until funded with more than \$20,000.

This assures that the Trust Account is available for use when needed, to provide for and to protect the individual, and this also permits specifically updated estate plans and/or beneficiary designations.

TRUST FEE SCHEDULE

APPLICATION FEE TO JOIN THE TRUST

\$250

A one-time fee to process the Sponsor Agreement and materials to assure eligibility to participate in the Trust. This fee will be taken at the time the Trust Account is funded. This fee only applies if the Beneficiary is depositing less than \$100,000 into the Trust, or who are not using the Life Services Comprehensive Six-Month Planning Program.

MINIMAL FUNDING AMOUNT FOR EXPENDITURE

\$20,000

Required Trust Account funding for expenditures and services to begin: \$20,000

The Trust will make no expenditures on behalf of the beneficiary until the Trust Account is funded with at least Twenty Thousand Dollars (\$20,000).

LIFE SERVICES ANNUAL FLAT FEE

\$750

For accounts valued under \$100,000, this fee will be taken at the time the Trust Account is funded (pro-rated based on the number of remaining months in the year) and at the beginning of each calendar year thereafter.

FEE SCHEDULE

Life Services Annual Flat Fee

\$750

For accounts valued under \$100,000, this fee will be taken at the time the Trust Account is funded (pro-rated based on the number of remaining months in the year) and at the beginning of each calendar year thereafter.

Life Services Annual Percentage Fee

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

The balance includes the value of any property held in the trust.

For the first \$1,000,000 in the account:

1.00% per year, pro-rated monthly

On the next \$1,000,000 in the account:

0.65% per year, pro-rated monthly

On the next \$3,000,000 in the account:

0.55% per year, pro-rated monthly

Assets in excess of \$5,000,000 in the account:

0.45% per year, pro-rated monthly

KeyBank Annual Percentage Fee

0.9% per year, pro-rated monthly

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

ADDITIONAL FEES

- **K-1 / Grantors and Other Trust Tax Preparation Fees (if required)**
- **Life Services Account Closure Fee**

\$190

\$500

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 Account.

TRUST EXPENDITURES FOR TRUE LINK VISA DEBIT, TRUE LINK CASH CARD (REPRESENTATIVE PAYEE ONLY), KEYBANK MASTERCARD AND OTHER SIMILAR OPTIONS (OPTIONAL)

If any Debit, Cash (Representative Payee Services only), Credit Card or other similar programs are made available by Life Services to a Trust Beneficiary and/or used on their behalf, the cost of the program will be charged to the Beneficiary's trust account.

- **True Link VISA Debit & True Link Cash Card (Social Security RepPayee Only) Monthly Flat Fee:** **\$10**
- **KeyBank MasterCard:** **\$0**

LIFE SERVICES AS REPRESENTATIVE PAYEE FOR TRUST BENEFICIARY FOR SOCIAL SECURITY INCOME (OPTIONAL)

If a Trust Beneficiary requires Representative Payee Services for Social Security Income and;

- Does not receive these through a residential / service program;
- Has no available relatives to serve as Representative Payee;
- Has a funded trust account with Life Services, and;
- And only if mutually agreed to by the Trust Beneficiary (or their Guardian of the Person / Power of Attorney / Beneficiary Representative) and Life Services;

Then with approval of the Social Security Administration, Life Services may elect to become a Trust Beneficiary's Representative Payee. Fees for this service will be charged to the Trust Account of the Beneficiary (not to Social Security funds). Fees will include:

Life Services Annual Flat Fee: **\$600**

This fee will be taken at the time the services is implemented (pro-rated based on the number of remaining months in the year) and at the beginning of each calendar year thereafter.

KeyBank Monthly Flat Fee: **\$5**

OTHER FEES AND FEE INFORMATION

- 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, perform extensive 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, at Trustees discretion, a fee of \$50.00 per occurrence will be charged.
- All fees and pricing are subject to change without prior notice. Notification of fee and pricing changes will be provided via posting the updated fee schedule at: www.ACTforLifeServices.org emailed and/or mailed to the Sponsor / Establisher / Beneficiary / Donor / Guardian / Power of Attorney, Authorized Contact – Beneficiary Representative, as applicable.

REMAINDER FUNDS CALCULATION FOR DISTRIBUTION UPON THE DEATH OF THE TRUST BENEFICIARY

To further the Life Services charitable mission and to permit Life Services to offer Trust and advocacy programs at the lowest costs possible to individuals with disabilities, Life Services requires, only upon the death of the Trust Beneficiary (when they can no longer benefit from the funds), a percentage of the remaining funds to remain with Life Services.

Remainder Calculation Formula:

At the termination of the Beneficiary's Trust Accounts (death of Beneficiary) Life Services will retain one-third (1/3) of the assets remaining in the Beneficiary's Trust Account(s), or more at the discretion of the Sponsor(s), but not less than \$20,000 or the balance in the Accounts if less than \$20,000 upon the death of the Beneficiary. For Trust Accounts with anticipated funding in excess of \$1,500,000, the Remainder Percentage may be reduced.

Examples:

1. If **\$350,000** remaining in the Trust Account upon the death of Trust Beneficiary:
 - a. To Life Services: $\$350,000 \times 0.3333 =$ \$116,667
 - b. To Identified Beneficiaries per the Sponsor Agreement = $(\$350,000 - \$116,667) =$ \$233,333
2. If **\$25,000** remaining in the Trust Account upon the death of Trust Beneficiary:
 - a. To Life Services: $\$25,000 \times 0.3333 = \$8,333$, as less than \$20,000 = \$20,000
 - b. To Identified Beneficiaries per the Sponsor Agreement = $(\$25,000 - \$20,000) =$ \$5,000

Upon mutual agreement with Life Services, a Trust Sponsor(s) may be able change or modify Remainder Beneficiaries.

TRUST EXPENDITURES FOR SUPPLEMENTAL ITEMS

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

- Any items regarded as illegal under local, state or federal law
- Bail or bond
- Cash distributions will never be made to the Beneficiary
- Gift cards
- Illegal drugs under local, state or federal law
- Prostitution
- Weapons, firearms, or ammunition

Disbursements:

- All disbursement requests shall be reviewed and approved on an individual basis.
- Disbursements for expenses incurred more than 90 days prior to submission of a disbursement request form shall not be paid.
- All disbursements shall be made at the sole and absolute discretion of the Trustee.
- No disbursements will be made after the death of the beneficiary, even for expenses incurred or due prior to death.
- Disbursements shall only be made to third party service providers and vendors that are legitimate registered businesses or employment services in which all employment taxes and fillings are prepared and have the required insurances in place.
- No Disbursements will be made to the Beneficiary – only to third parties.

Life Services will only purchase items on behalf of the Beneficiary with specific requests from the Beneficiary, Guardian, Power of Attorney, Residential Services Provider, Authorized Contact and/or Beneficiary Representative. 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).
 - o Life Services will only use secure websites.
 - o Life Services will not order from websites based outside of the United States.
 - o Life Services will not place online orders when delivery is expected to take over one-month or with unknown delivery dates.
- Life Services will not make purchases via PayPal, Venmo (or similar services), Bitcoin or other digital currencies.
- For Online/Website orders, it is 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. 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.

- No payments for cash advances from a credit card may be made by the Trust.
- 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.

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:
 - o There is no guardian for the Beneficiary.
 - o The Beneficiary acknowledges purchases of alcoholic beverages for their personal consumption will not negatively impact or jeopardize their health status.

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).

If requested, per the Review of Disbursement Policy, if a Beneficiary disagrees with a denial of payment request by staff, this denial may be submitted to the Program Committee of the Life Services Board of Directors for review.

**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