

# LIFE SERVICES THIRD PARTY-FUNDED TRUST FOR PEOPLE WITH DISABILITIES SPONSOR AGREEMENT



This is a legal document. It is an agreement to join Disabled and Alone / Life Services for the Handicapped, Inc.'s Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005. It is recommended that you seek independent, professional advice before signing this agreement.

Disabled and Alone / Life Services for the Handicapped, Inc. shall herein be referred to as "Life Services." Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005, shall herein be referred to as "Life Services Third Party Trust."

The undersigned Sponsor ("Sponsor"), on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, hereby establishes a Trust Account under the Life Services Third Party Trust as follows:

## 1. Sponsor 1:

### Sponsor 2:

Address:

Telephone:

Relationship to Beneficiary:

Social Security Number for Sponsor 1:

Date of Birth for Sponsor 1:

Social Security Number for Sponsor 2:

Date of Birth for Sponsor 2:

## 2. Beneficiary:

Address:

County of Residence:

Gender:

Citizenship:

Marital Status:

Spouse's Name (if married):

Telephone:

Social Security Number of Beneficiary:

Date of Birth of Beneficiary:

## 3. Distribution of Trust Account Upon the Death of the Beneficiary

### a. Amounts to be Distributed to Life Services:

**IMPORTANT!** You are required to distribute to Life Services one-third (1/3) of **the assets remaining in the Trust Account ("Trust Account Remainder")** to Life Services, or more at the discretion of the Sponsor, but **not less than \$20,000 or the balance in the account if less than \$20,000**. This paragraph shall be referred to as the "Required Minimum Distribution Amount."

Or, if Life Services is trustee on a SNT (in this Pool or Stand-Alone), then use this section:

**IMPORTANT!** You are required to distribute to Life Services one-half (1/2) of **the assets remaining in the Trust Account ("Trust Account Remainder")** to Life Services, or more at the discretion of the Sponsor, but **not less than \$20,000 or the balance in the account if less than \$20,000**. This paragraph shall be referred to as the "Required Minimum Distribution Amount."

In addition to the Required Minimum Distribution Amount, the following percentage or amounts of the Trust Account Remainder shall be distributed to Life Services: .

**b. Remainder Beneficiaries:**

Any remaining funds that are not distributed to Life Services, as set forth above, shall be distributed to the following Remainder Beneficiaries:

Name 1:  
Address:  
Telephone:  
Relationship to Sponsor:  
Social Security Number for Remainder Beneficiary:  
EIN for Remainder Beneficiary (if Non-Profit):  
Date of Birth for Remainder Beneficiary:  
Share of the remainder (amount or percentage):

Name 2:  
Address:  
Telephone:  
Relationship to Sponsor:  
Social Security Number for Remainder Beneficiary:  
EIN for Remainder Beneficiary (if Non-Profit):  
Date of Birth for Remainder Beneficiary:  
Share of the remainder (amount or percentage):

Sponsor (jointly if both alive, otherwise singly), with the consent and approval of Life Services have the ability to modify, add or eliminate Remainder Beneficiaries as identified in this section (as long as there is no reduction in the Required Minimum Distribution Amount as set forth above in 3. a.).

**IMPORTANT!** If after due diligence the Remainder Beneficiaries cannot be located, or the designated non-profit charitable Remainder Beneficiary went out of business, the Trust Account Remainder shall be distributed to Life Services.

**4. Funding Schedule**

**a. Funding**

**Upon acceptance of Sponsor Agreement by the Trustees or Designee – Amount: \$**

**Upon the acceptance of the Sponsor Agreement by the Trustees or Designee initial funding of \$2,500 (this is irrevocable and cannot be returned to the Sponsor if under 4. c. the Sponsor elects to not use and/or close the Trust Account) and then at the time of my/our death(s), or, at my option, at any time in the future prior to my/our death(s):** The Trust Account will be funded by and through the Last Wills & Testaments and/ or Living Trusts of \_\_\_\_\_ and \_\_\_\_\_ and any assets that the Life Services Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005 may be named as beneficiary on.

**Source of Funds (select all that are applicable or may be applicable):**

- Assets accrued via work and investment (including inheritances) over the lifetime of the grantors.
- Assets accrued via work and investment (including inheritances) over the lifetime of the relatives, friends and other interested parties.
- Life Insurance.
- Required Minimum Distributions or principal distributions from Tax Deferred Assets held in a separate Life Services Third Party-Funded Trust for People with Disabilities for the same Beneficiary.

- Required Minimum Distributions or principal distributions from Tax Deferred Assets held in a separate, stand-alone supplemental needs trust for the same Beneficiary.
- Distributions from assets held in a separate Life Services Third Party-Funded Trust for People with Disabilities or stand-alone supplemental needs trust for the same Beneficiary.
- Other:
- Other: Any resources identified for the Beneficiary, including options listed above which were not identified at the time of the execution of this document.

**b. Acknowledgment of Minimum Funding Requirements**

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

**c. Acknowledgment of Failure to Fund More Than \$2,500 Into the Trust or Notification to Close the Trust Account**

The undersigned Sponsor hereby acknowledges that failure to fund more than \$2,500 into the Trust Account upon the Sponsor's death, or upon written notarized notification to Life Services of intent not to use the Trust Account, will result in a closure of this Trust Account and all remaining funds in the Trust Account will be gifted to Life Services for its general purposes and no trust services, advocacy or other supports will be provided to the Beneficiary.

**5. Legal and Tax Consequences of Sponsor Agreement**

The undersigned Sponsor acknowledges that the signing of this document creates a legal agreement and contributions to the Trust Account may have tax consequences. The Sponsor further acknowledges that s/he has been advised to consult with an attorney and tax advisor before signing this Sponsor Agreement. Once signed by the Sponsor and accepted by the Trustees, this Sponsor Agreement may not be amended or revoked.

**6. Administration of the Trust Account Pursuant to the Life Services Third Party Trust**

The undersigned Sponsor acknowledges that all contributions made to the Trust Account will be held and administered pursuant to the provisions of the Life Services Third Party Trust, including any amendments to the Trust made after the date of this Sponsor Agreement. The provisions of the Life Services Third Party Trust are incorporated herein by reference. The Sponsor has received and reviewed a copy of the Life Services Third Party Trust prior to signing this Sponsor Agreement. The Trustees shall have sole and absolute discretion to accept or refuse additional deposits into the Trust Account.

**7. Waiver of Potential Conflict of Interest**

The undersigned Sponsor acknowledges that a potential conflict of interest exists in the administration of the Life Services Third Party Trust because said trust is established by Life Services and Life Services may act as an advisor to the Trustees in connection with the exercise of their discretion under said trust regarding the disbursement of funds from the Trust Account.

Life Services may have an interest in the trust accounts for the benefit of other disabled individuals. The Sponsor acknowledges that in addition to its annual Trustee fees, Life Services has an interest in the Trust Account Remainder as described in Section 3 above.

In the administration of the Life Services Third Party Trust, the Trustees are permitted to disburse trust funds to Life Services on behalf of beneficiaries. Additionally, Life Services may receive fees in payment for services as a co-Trustee of the Life Services Third Party Trust as well as fees associated with its advocacy services.

The Sponsor is aware of the existence of this potential conflict of interest and expressly waives any and all claims against the Trustees and any successor trustees on account of self dealing, conflict of interest or any other act related to their affiliation with Life Services.

**8. Account Name**

The assigned name for the Trust Account: Life Services Third Party Pooled Trust f/b/o INSERT NAME dated INSERT DATE SIGNED (Abbreviation: LS 3rd Pty SNT f/b/o INSERT NAME & DATE SIGNED), EIN: 13- 7246519.

\_\_\_\_\_ Date: \_\_\_\_\_  
Sponsor

\_\_\_\_\_ Date: \_\_\_\_\_  
Sponsor

**ACKNOWLEDGMENT TAKEN IN NEW YORK STATE**

State of \_\_\_\_\_ )  
: ss.:  
County of \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

The foregoing Sponsor Agreement is hereby accepted by the undersigned on behalf of the LIFE SERVICES THIRD PARTY-FUNDED TRUST FOR PEOPLE WITH DISABILITIES, as Amended and Restated on May 26, 2005.

\_\_\_\_\_  
Lee A. Ackerman, Executive Director  
Disabled and Alone/Life Services for the Handicapped, Inc.

Date: \_\_\_\_\_

# THIRD PARTY-FUNDED TRUST FOR PEOPLE WITH DISABILITIES, AS AMENDED AND RESTATED ON MAY 26, 2005 SPONSOR AGREEMENT ADDENDUM

**BENEFICIARY:** \_\_\_\_\_

All information and material within this document is effective January 1, 2021

## BACKGROUND INFORMATION, BENEFITS AND AUTHORIZATIONS

### **1. ID / Social Security Card**

Valid Government issued picture ID and Social Security Card (or other proof of Social Security Number) is required to be provided prior to opening an account.

### **2. Living Arrangements (check as many as apply)**

With parents / other family

Independently (no housemate / roommate / significant other)

Independently with spouse (Bill payment notes):

Independently with housemate / roommate / significant other (Bill payment notes):

Residential Services funded via OPWDD (ICF / CF / IRA / Self-Director Waiver / TBI Waiver / Other Program) (Specify):

Residential Services funded via the Office of Mental Health (SRO / Apartment Programs / Group Homes / Private or State Facilities / Other Program) (Specify):

Assisted Living (Medicaid or Private Pay) (Notes):

Nursing Home (Medicaid or Private Pay) (Notes):

If living with others, how are Utilities (Cable / Internet / Phone, etc.) split:

Other (Describe):

### **3. Benefits**

Medicaid (Notes):

Medicaid Number:

Medicare (Notes):

Medicare Number:

SNAP (Food Stamps), Amount:

Rent Subsidy via HUD or Section 8 (Notes):

Rent Subsidy / Supplement OPWDD – OMH (such as Self-Direction or TBI Waiver), Amount:

Other:

### **4. Disability Determination for Trust Eligibility**

The Beneficiary is receiving SSI or SSDI (Indicate which type):

If no finding of disability from Social Security Administration, provide details as applicable:

Denial – Appeal Status (Notes):

Over resource limits to apply for Social Security Supplemental Security Income (will apply upon asset transfer to Trust) (Notes):

New York State forms DSS 1151 or LDSS 486T completed, submitted and pending approval (Notes):

Basic description of disability / diagnosis:

Proof of disability required, indicating your claim number (such as benefits award letter, Form SSA-1099, annual rate letters, other correspondence indicating type of Social Security Income).

The Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005 is a Trust developed for use by individuals with disabilities according to federal and state law. Life Services, by agreeing to accept assets and funds into the Trust, per the Sponsor Agreement, agrees only to manage the trust funds in accordance to the terms of the Master Trust Agreement and in compliance with applicable federal and state law and regulation. It is the sole responsibility of the SPONSOR / ESTABLISHER / BENEFICIARY / DONOR to determine whether donor is "disabled" as that term is defined under federal law and to determine if they have the legal authority to transfer assets and funds to fund the Trust, and what impact that a transfer of property to the Trust will have on the beneficiary's eligibility to obtain or maintaining government entitlement benefits.

#### **5. Income (Current – Estimated)**

Supplemental Security Income (**SSI**), Amount:  
Social Security Disability Income (**SSDI**), Amount:  
Social Security Retirement Income (**SSA**), Amount:  
Typical date of receipt of Social Security Funds:  
Other source of income / amount / frequency:

#### **6. SSI Reduction for Payment of In-Kind Support and Maintenance (ISM)**

The Beneficiary is receiving SSI.  
**Yes**, there will there be distribution requests for ISM.  
If yes, a signed copy of the SSI ISM letter is required.  
At this time there is **no** anticipated distribution requests for ISM.

ISM is defined as:

- Food
- Mortgage (including property insurance required by the mortgage holder)
- Real Property Taxes (less any tax rebate/credit)
- Rent
- Heating Fuel
- Gas
- Electricity
- Water
- Sewer
- Garbage removal

#### **7. ABLE Account Information & Requested Account Funding**

The beneficiary **is** eligible for an ABLE Account (has a qualifying disability prior to age 26).

The beneficiary **has** an ABLE Account.

The Beneficiary **will** request ABLE Account contributions from the Trust.

- Name of ABLE Account / State Provider:
- Exact Name on the Account (Beneficiary Name used):
- Account Number:
- Mailing Address for Funding:
- Required Information (if any) for Funding:
- Will the beneficiary or other interested parties be making contributions (Yes / No):

- o If yes, what type of contribution (General or Work) and how much per month / year:
- What is the requested Trust funding (General Contribution) per month / year (this will count towards the annual total of General Contribution limit of \$15,000):

It is not the duty of the Trust to assure that trust contributions do not exceed the annual General Contribution limits or that the total value of the account does not exceed the SSI cap. It is the policy of the Trust to fund the trust throughout the year – not one lump sum contribution for the year.

**8. Guardianship**

- None
- Court appointed Guardian for the Beneficiary (Person)
- Court appointed Guardian for the Beneficiary (Person and Property)
- Court appointed Guardian for the Beneficiary (Property)
- If yes, a copy of the Decree and Letters of Guardianship (Article 17A) OR Guardianship Order and Commission (Article 81) are required.
- Guardian Name:
- Address:
- Phone:
- Email:
- Standby Guardian Name:
- Address:
- Phone:
- Email:

**9. Power of Attorney / Health Care Proxy**

- None
- Power of Attorney Name:
- Address:
- Phone:
- Email:
- Successor:
- Health Care Proxy Name:
- Address:
- Phone:
- Email:
- Successor:

If yes to either, please provide a copy of the POA / HCP.

**10. Representative Payee**

- None
- Representative Payee Name:
- RepPayee Agency:
- Address:
- Phone:
- Email:

If yes, please provide a copy of authority.

**11. Authorized Contact – Beneficiary Representative – Online Trust Account Access - Statements**

At least one authorized contact must be provided (in order of succession, if more than one). The active (only

one at a time) Authorized Contact is the individual whom may provide and receive information and requests to the trust (in addition to the Beneficiary). If the Beneficiary is unable to name additional Authorized Contacts at a future date, the active Authorized Contact or the Trust Sponsor / Establisher, Guardian and/or Power of Attorney can do so.

The Beneficiary **will** receive a Trust Statement.

Guardian Name:

If there is a Guardian of the Person / Property, then they will be the Authorized Contact Person – Beneficiary Representative and shall receive Trust Statements, Tax Forms and be able to Submit Disbursement Requests and Requests for Purchases and have online access (if available from the co-trustee).

Relationship to Beneficiary:

Address:

Phone:

Email:

The Guardian is also the Beneficiary Representative.

Power of Attorney:

If there is a Power of Attorney, then they will be the Authorized Contact Person – Beneficiary Representative and shall receive Trust Statements, Tax Forms and be able to Submit Disbursement Requests and Requests for Purchases have online access (if available from the co-trustee).

Relationship to Beneficiary:

Address:

Phone:

Email:

Authorized Contact – Beneficiary Representative Name (only if different from guardian/POA):

Relationship to Beneficiary:

Address:

Phone:

Email:

Receive Trust Statements (Yes / No):

Receive Tax Forms (Yes / No):

Submit Disbursement Requests (Yes / No):

Submit Requests for Purchases (Yes / No):

Online Trust Account View Access is requested by the Beneficiary, the Guardian, Power of Attorney or the Active Authorized Contact – Beneficiary Representative, authorization is granted for release of that person's name, contact information and email addresses to the co-trustee for use in electronic communications and online trust account access.

## **12. Burial / Funeral Arrangements**

The Beneficiary has secured a pre-paid burial / cremation / funeral plan.

If yes, provide a detailed copy of the agreement and any other information pertaining to the funeral.

We strongly encourage that a Medicaid eligible pre-need funeral arrangement be established and funded prior to the Beneficiary's death, along with the completion of a New York Appointment of Agent for Disposition of Remains form be completed.

## **13. Letter of Intent**

**Yes** there is a signed Letter of Intent to provide directions the Trustees of Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005



There is **No** signed Letter of Intent to provide directions the Trustees of Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005  
If yes, please provide a copy of the Letter of Intent.

**14. Trust Funding**

The Trustees shall have the sole and absolute right to accept or refuse additional deposits to the Trust Account.

**15. Taxes**

- The Beneficiary / Sponsor / Establisher / Donor acknowledges that contributions to this trust are not tax deductible as charitable gifts, or otherwise.
- Trust Account income may be taxable to the Beneficiary.
- Any Beneficiary with taxable income will be issued a K-1 Form. This form must be reported on the Beneficiary's personal income tax returns.
- Taxable income by the Trust, but not distributed via Beneficiary disbursements during each year will be calculated at the Trust tax rate and reported on the Trust tax returns. Any tax incurred within the Trust will be allocated to the applicable Beneficiaries and will be deducted from their sub-account.

**16. General Requirements of Beneficiary (Guardian / Power of Attorney, Authorized Contact – Beneficiary Representative)**

It is the responsibility of the Beneficiary or their representatives to notify the trust of any changes in any of the above information.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR**

Dated: \_\_\_\_\_

\_\_\_\_\_  
**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR**

**THIRD PARTY-FUNDED TRUST FOR PEOPLE WITH DISABILITIES,  
AS AMENDED AND RESTATED ON MAY 26, 2005  
SPONSOR AGREEMENT ADDENDUM**

**BENEFICIARY:** \_\_\_\_\_

All information and material within this document is effective January 1, 2021

# APPLICATION AND MINIMAL FUNDING REQUIREMENTS

## Application Fee to Join the Trust

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. **\$250**

## Minimal Funding Amount for Expenditures

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).

## FEE SCHEDULE

### **Non-Active Account:**

Is defined as a funded Trust Account with no expenditures on behalf of the Beneficiary.

- **Annual Flat Fee**

**None**

- **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.

- o For \$1 to \$20,000 in the account:

**0%**

- o For \$20,001 to the first \$1,000,000 in the account:

**1.00% per year, pro-rated monthly**

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

**0.65% per year, pro-rated monthly**

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

**0.55% per year, pro-rated monthly**

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

**0.45% per year, pro-rated monthly**

- **Co-Trustee / Custodians of the Funds 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. The balance includes the value of any property held in the trust.

At the time of the account opening, the Non-Active Account Fee Schedule will be applied. Upon written request, for accounts in excess of \$20,000, the trust may start making expenditures on behalf of the Beneficiary, which will convert this account to an Active Account Fee Schedule. When conditions change, the Trust Account fee status will be automatically changed and implemented by Life Services.

### **Active Account:**

Is defined as a Trust Account with ongoing or anticipated expenditures on behalf of the Beneficiary.

- **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.

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

**1.00% per year, pro-rated monthly**

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

**0.65% per year, pro-rated monthly**

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

**0.55% per year, pro-rated monthly**

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

**0.45% per year, pro-rated monthly**

- **Co-Trustee / Custodians of the Funds 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.

At the time of the account opening, the Active Account Fee Schedule will be applied.

**Additional Fees for Funded Accounts:**

- **K-1 / Grantors and Other Trust Tax Preparation Fees (if required)** **\$190**
- **Life Services Account Closure Fee** **\$500**

**Tax Deferred Account – To Be Funded – Inactive:**

Is defined as a Trust Account created to receive tax deferred assets upon the death of individuals and placed into this trust account at some future date. Until this account is funded, no fees will be charged (as no funds are in trust). At the time that the account is funded, the Trust Account fee status will be automatically changed and implemented by Life Services.

**Expense Ratio for Investment Funds Held by the Trust**

Each asset held by the trust has an internal management fee (the Expense Ratio). The annualized Weighted Average Expense Ratio percentage (for assets held by the Trust) is estimated to be:

- Third Party-Funded Trust for People with Disabilities **0.1968%**

As investment holdings change on an ongoing basis, the current Weighted Average Expense Ratio is available upon request.

**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 Fee 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](http://www.ACTforLifeServices.org) emailed and/or mailed to the Sponsor / Establisher / Beneficiary / Donor / Guardian / Power of Attorney, Authorized Contact – Beneficiary Representative, as applicable.

## **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).
  - Life Services will only use secure websites.
  - Life Services will not order from websites based outside of the United States.
  - 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 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:
  - There is no guardian for the Beneficiary.
  - The Beneficiary acknowledges purchases of alcoholic beverages for their personal consumption, will not negatively impact or jeopardize their health status.

# BILL PAYMENTS PROCESS, PROCEDURES, MAIL AND ELECTRONIC BILL PAYING TIME FRAMES AND OTHER INFORMATION

## General

- 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.
- The Trust will only pay bills if they meet the following conditions:
  - o The Trust Beneficiary is named on the bill / invoice.
  - o The Trust Beneficiary's address is on the bill / invoice.
  - o For credit bills, the entire bill (all pages) and all receipts being requested for payment are provided, in full.
  - o The vendor / service provider's full name and address is on the bill / invoice.
  - o The date that the service is provided to the Trust Beneficiary is indicated.
  - o The description of the service or product being purchased is provided.

## Checks (mailed):

Upon the submission of bill payment materials to KeyBank (prior to the cut-off time) on a business day, KeyBank processes those payments that day / overnight. Overnight, the postal service picks up the prepared checks for mailing and the checks are postmarked and mailed on the next business day.

- For example, payments authorized on Monday, checks are dated / postmarked / mailed on Tuesday (if authorized on Friday, the checks are postmarked and mailed on Monday).
- All checks are mailed from the Cleveland Ohio region.
- Neither Life Services nor KeyBank is responsible for mail delivery and no postal service on holidays or Sunday. Neither are we responsible for the processing time and posting of payments for any businesses that are being paid. Once payments are received by the business – it typically takes 2-5 business days to be posted to an account.

## Electronic Bill Payments:

Upon the submission of bill payment materials to KeyBank (prior to the cut-off time) on a business day, KeyBank processes those payments that day / overnight. The payment is then sent out electronically on the next business day.

- Even if payment is sent electronically, payment is not instantaneous. Business days, holidays, processing and posting payments to an account at any business may take 2-5 business days.
- Payment timing is not something that Life Services or KeyBank has any control over. All that can be identified is that the payment left KeyBank and was received by the business. If there was a problem with the transaction – KeyBank receives a notification the morning of the next business day.

For payments made by check (mailed), until there is a significant delay in the payment being received and/or processed by the vendor (at least 10-business days after the payment was made), Life Services will not take any action. After 10-business days, a stop-hold can be issued on a check and a replacement check issued

To monitor bill payment status and account information, please select Online Trust Account View Access for the Authorized Contact Person / Beneficiary Representative in section 12 (above).

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 Beneficiary Account.

On an annual basis, the Beneficiary will receive a Grantor Letter or K-1 Tax Form from the Trust (if required). 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 and taxes are permissible Trust expenses and if requested by the Beneficiary, the expense may be charged to the Beneficiary Account.

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 and Information Required to Close a Trust Account:**

Upon the death of the Beneficiary, Life Services will require immediate notification of the death and be provided a Certified Copy of the Death Certificate, before the account is closed and remaining funds disbursed.

## **REVIEW OF DISBURSEMENT DENIAL**

In the event that a Trust Disbursement Request by or on behalf of the beneficiary is denied, the two-step process for review of this decision is as follows:

1. An informal request for reconsideration by the Beneficiary or their Authorized Contact – Beneficiary Representative for reconsideration is made to the Executive Director of Life Services:
  - a. Contact the Executive Director (phone / email / mail / fax) to request reconsideration, providing additional information to the Executive Director about why the disbursement request denial should be reversed or modified.
  - b. Within two weeks of being provided the full request for reconsideration materials to the Executive Director, the Executive provide a written response as to their determination, approving, denying or modifying the request.
  - c. For disbursement requests under \$500, the decision of the Executive Director is final.
2. For disbursement requests in excess of \$500, if upon review by the Executive Director, the disbursement request denial is maintained and/or the modification is not sufficient for the Beneficiary, then:
  - a. A written request for reconsideration can be made (via the Executive Director) to the Program Committee of the Life Services Board of Directors.
  - b. Within four weeks of being provided the full written request for reconsideration, the Program Committee will provide a written response as to their determination, approving, denying or modifying the request.
  - c. The decision of the Program Committee of the Board of Directors is final.
3. Other
  - a. In the event that the Disbursement Request is time sensitive, the process may be expedited.
  - b. In the event that the beneficiary or their representative does not agree with the annual (monthly) spending budget, as set by Life Services, there may be one request for reconsideration of the budget amount per year. Any single or multiple disbursement denials made by Life Services due to the



- request(s) exceeding the budget, will be treated as one request per year, regarding the established annual (monthly) spending budget and will not be reviewed every time a request exceeds the budget.
- c. There shall be no monthly or repeated requests for reconsideration for the same (or essentially the same) requested disbursement.
  - d. Review of disbursement denials not included in this policy, include:
    - i. Failure to provide the required documentation to pay a bill (such as a receipt for a credit card or a complete credit card bill) or failure to meet payment standards, or other basic supplemental needs trust requirements.
    - ii. Requests that violate the terms of the trust (such as gifts for others).
    - iii. Requests that reduce or eliminate government entitlement benefits (such as SSI) without the completion and submission of the SSI ISM letter.

Any expenses for reconsideration (such as, but not limited to a legal review, property inspection, etc.) shall be charged to the Beneficiary Trust Account.

## **SPONSOR / ESTABLISHER / BENEFICIARY / DONOR ACKNOWLEDGMENTS AND RECEIPT OF THIS TRUST INFORMATION PACKET, FEE SCHEDULES AND OTHER CONDITIONS**

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges that they received, read and understood this entire Addendum, which is incorporated by reference to the Sponsor Agreement.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges the validity, construction, and all rights under this Addendum shall be governed by the laws of the State of New York. The situs of this Trust for administrative, account and legal purposes shall be in the County of New York.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges Life Services is not assuming any responsibility as counsel for the Sponsor / Establisher / Beneficiary / Donor, or providing any legal advice as it relates to the consequences of a transfer of property to the Trust. The Trustees in their discretion may require an intermediary to assist in the administration of the Beneficiary's Trust Account. The cost of which may be charged to the sub-trust account.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges that an individual requesting and/or receiving disbursements in contravention of the Master Trust Agreement and the Sponsor Agreement will be required to repay the amount disbursed.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges that they are responsible to comply with Medicaid regulations and policies concerning disclosure of Trust Assets.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges that they are solely responsible for determining whether the Trust meets the needs of the Beneficiary and acknowledges that they have had the opportunity to consult with their attorneys, and other individuals knowledgeable in this field before seeking participation in the Trust.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** 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 (Sponsor / Establisher / Beneficiary / Donor / Guardian / Power of Attorney, Authorized Contact – Beneficiary

Representative) 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.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** 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.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges and approves that the monthly and annual mailed statements to the Trust Beneficiary (Sponsor / Establisher / Beneficiary / Donor / Guardian / Power of Attorney, Authorized Contact – Beneficiary Representative), represent an informal monthly and informal annual accounting of the Account for the Beneficiary, and meet the requirement of the Master Trust Document for an annual accounting. If an additional Formal Trust Accounting is desired, the Trust Beneficiary (Sponsor / Establisher / Beneficiary / Donor / Guardian / Power of Attorney, Authorized Contact – Beneficiary Representative), must request this.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges the following: The Third Party-Funded Trust for People with Disabilities, as Amended and Restated on May 26, 2005 is a Trust developed for use by individuals with disabilities according to federal and state law. Life Services, by agreeing to accept assets and funds into the Trust, per the Sponsor Agreement, agrees only to manage the trust funds in accordance to the terms of the Master Trust Agreement and in compliance with applicable federal and state law and regulation. It is the sole responsibility of the SPONSOR / ESTABLISHER / BENEFICIARY / DONOR to determine whether donor is "disabled" as that term is defined under federal law and to determine if they have the legal authority to transfer assets and funds to fund the Trust, and what impact that a transfer of property to the Trust will have on the beneficiary's eligibility to obtain or maintaining government entitlement benefits.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges the following: Regarding ABLE account funding transfers from the Trust, it is not the duty of the Trust to assure that trust contributions do not exceed the annual General Contribution limits or that the total value of the account does not exceed the SSI cap. It is the policy of the Trust to fund the trust throughout the year – not one lump sum contribution for the year.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** if Online Trust Account View Access is requested by the Beneficiary, the Guardian, Power of Attorney or the Active Authorized Contact – Beneficiary Representative, authorization is granted for release of that person's name, contact information and email addresses to the co-trustee for use in electronic communications and online trust account access.

**SPONSOR / ESTABLISHER / BENEFICIARY / DONOR** hereby acknowledges that any revisions to the following sections:

- Fee Schedule;
- Trust Expenditures for Supplemental Items;
- Bill Payments Process, Procedures, Mail and Electronic Bill Paying, Time Frames and Other Information;
- Review of Disbursement Denial; and
- Sponsor / Establisher / Beneficiary Donor Acknowledgments and Receipt of Trust Information Packet, Fee Schedules and Other Conditions will not require new signatures authorizing the changes and that the revisions to this document and will be posted at [www.ACTforLifeServices.org](http://www.ACTforLifeServices.org) and emailed and/or mailed to the Sponsor / Establisher / Beneficiary / Donor / Guardian / Power of Attorney, Authorized Contact – Beneficiary Representative, as applicable.

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

Dated: \_\_\_\_\_

SPONSOR / ESTABLISHER / BENEFICIARY / DONOR

Dated: \_\_\_\_\_

SPONSOR / ESTABLISHER / BENEFICIARY / DONOR



**BY APPOINTMENT ONLY:** 1441 Broadway, 6th Floor PMB #6135 | New York, NY 10018-1905

**MAILING ADDRESS:** ACT for Life Services | PO Box 340 | New Hyde Park, NY 11040-0340

**TEL:** (212) 532-6740 or (800) 995-0066

**FAX:** (212) 532-3588

Info@ACTforLifeServices.org

ACTforLifeServices.org

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

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