

PLAN of Massachusetts and Rhode Island



*Planned Lifetime Assistance Network of
Massachusetts and Rhode Island, Inc.*

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Thank you for your interest in PLAN of Massachusetts and Rhode Island. Enclosed please find informational materials on our organization and specifically our Third Party Special Needs Pooled Trust, including:

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As you review the materials, please don't hesitate to contact us with questions. We look forward to the opportunity to work with you.

Sincerely,

The Staff & Board of PLAN of Massachusetts and Rhode Island

Planned Lifetime Assistance Network (PLAN) of Massachusetts and Rhode Island

MISSION

PLAN of Massachusetts and Rhode Island, a non-profit organization, provides planning and trust management services for individuals with disabilities to enhance their quality of life, support their integration into the community, and provide peace of mind to their families.

We do this by:

- Helping trust beneficiaries access supplemental resources to meet their needs.
- Supporting and implementing individualized life care plans.
- Administering the Albert N. Solomon Memorial Trust Fund.

TRUST MANAGEMENT SERVICES

PLAN of Massachusetts and Rhode Island manages two special needs pooled trusts. The trusts are used to protect financial resources, including present and future entitlements, and enhance quality of life for individuals with disabilities:

- The *MARC Special Needs Pooled Trust* is the oldest and largest Pooled Trust serving Massachusetts and Rhode Island. It was established in 1995, and today nearly 440 beneficiaries participate. Assets under management exceed \$27 million. This Pooled Trust is funded with assets belonging to individuals who have disabilities -- assets often obtained through inheritances or personal injury settlements.
- The *PLAN Third Party Special Needs Pooled Trust* is the organization's newest program. It is funded with assets belonging to families or other third parties to benefit a person with a lifelong disability. Funding can come from a variety of sources, including a will, an insurance policy, or savings. Approximately 60 families have joined this pooled trust. Fifteen accounts are currently funded, and total assets exceed \$700,000.

Beneficiaries of both Pooled Trusts receive supportive services from PLAN's Licensed Social Workers, including needs assessment, referral services, advocacy, and assistance accessing trust funds. All investments are professionally managed by PLAN's financial partner, Webster Private Bank.

*Please contact us for more information.
We look forward to hearing from you!*

3rd Party Special Needs Pooled Trust | Providing a Safety Net

SUPPLEMENTING PUBLIC BENEFITS

The PLAN Third Party Special Needs Pooled Trust was created to meet the needs of families who wish to provide a safety net for the future care of a relative who has a disability. Families recognize the limitations of earned income and public benefit programs, and the Third Party Trust allows them to supplement their loved ones' resources responsibly. When creating an account families can choose to contribute funds immediately or at some point in the future. Once funded, PLAN of Massachusetts and Rhode Island carefully monitors disbursements from individual subaccounts to ensure public benefits such as Medicaid and SSI are not adversely affected.

FINAL DISTRIBUTIONS

Upon the death of a Third Party Pooled Trust beneficiary, any funds remaining after the deduction of final closing costs are distributed according to the instructions of the donor as specified in the Joinder Agreement. No remainder funds are retained by PLAN of Massachusetts and Rhode Island, unless the donor chooses to distribute a remainder share to the organization. There is no requirement to repay any public benefits that the beneficiary may have received during his or her lifetime.

3rd Party Special Needs Pooled Trust | Enhancing Quality of Life

SERVICE COORDINATION & LIFE CARE PLANS

Every beneficiary receives supportive services from a PLAN of Massachusetts and Rhode Island Service Coordinator. Service Coordinators are Licensed Social Workers. They serve as the primary contact for beneficiaries and families, and they help to ensure that beneficiaries will continue to receive quality care and services after family caretakers are no longer available.

Service Coordinators assist families in developing and maintaining a Life Care Plan. The Life Care Plan provides a road map for continuing care for the beneficiary. It addresses a range of needs (including housing, health care, education, work, transportation and recreation) and identifies the resources required to meet those needs.

Service Coordinators maintain contact with beneficiaries and families throughout their participation in the program, helping to identify unmet needs and goals, serving as an advocate, developing distribution plans, and ensuring trust funds are used to enhance the beneficiary's quality of life.

3rd Party Special Needs Pooled Trust | Fee Schedule

ENROLLMENT FEE

A one-time Enrollment Fee of \$500 is due at the time the Joinder Agreement is returned to the PLAN of Massachusetts and Rhode Island. The Enrollment Fee covers the cost of opening a Trust sub-account for the Beneficiary, which includes:

- Legal and factual review of the completed Joinder Agreement
- Preparation and submission of documents to establish the trust sub-account
- Contacts with PLAN of Massachusetts and Rhode Island staff to clarify procedures and answer questions regarding trust administration.

ANNUAL MANAGEMENT AND CONSULTATION FEES

Future Funded Accounts

There is no annual management and consultation fee charged until the sub-account is funded. The one-time \$500 enrollment fee is payable upon receipt of the signed Joinder Agreement.

Funded Accounts

An Annual Management Fee is charged which covers the cost of:

- Professional investment management services provided by Webster Private Bank, NA;
- Fiduciary and administrative services;
- All disbursements from each sub-account;
- Ongoing monitoring of public policies, rules, and regulations affecting special needs pooled trusts;
- Annual Reports showing all activity in the sub-account;
- Record keeping for each sub-account and providing documentation or information for any disbursement;
- Timely contact with Service Coordinators which includes semi-annual consultations with each beneficiary and interim phone calls and emails.

The Annual Management Fee computed on the value of the assets in a funded sub-account as follows:

- 3% on the first \$500,000
- 2.25% on the next \$250,000
- 2% on the next \$250,000
- 1.75 % on the balance

The Minimum Annual Management Fee for funded accounts is \$500.00

Additional services may be needed for beneficiaries who require more frequent or intensive supports from a PLAN Service Coordinator. Such additional services may include weekly or monthly phone calls, attendance at meetings involving the beneficiary, e.g. ISP meetings, or oversight and advocacy for specific services or benefits for the beneficiary. The need for these services is assessed on a case-by-case basis, in consultation with the beneficiary and/or his or her representative. Additional services will be billed to the beneficiary's Trust sub-account at the rate of \$100 per hour.

OTHER FEES

- **Tax Preparation:** A federal and state tax return must be filed for each trust sub-account. The charges for preparing and filing the tax return are separate from other fees and are billed at actual cost to the individual's trust sub-account. PLAN of Massachusetts and Rhode Island negotiates for the lowest reasonable cost; the current actual cost for tax preparation is \$200 per year per sub-account.
- Additional costs will be charged as additional services become necessary or advisable. In addition to case management services, examples of additional costs include professional fees for attorneys, guardians, and care managers, and termination fees.

SPECIAL ASSESSMENTS

The Trustee and the Manager have authority from time to time, as necessary, to assess all sub-accounts or certain sub-accounts with special assessments for specific costs such as the cost of defending a sub-account of the Trust, or taking actions to preserve a beneficiary's government assistance. See Article X.G. of the Trust Agreement for a description of possible defense costs.

ADMINISTRATIVE EXPENSES – TERMINATION OF TRUST ACCOUNT

When a MARC Special Needs Pooled Trust is terminated because of the death of the trust beneficiary, or for any reason prior to the death of the beneficiary ("early termination"), the following types of administrative expenses may be paid from the beneficiary's Trust Account prior to the reimbursement of Medical Assistance:

- Taxes due from the trust to any state or to the federal government because of the termination of the account.
- Reasonable and documented fees for administration of the sub-account such as an accounting to a court, completion and filing of documents, or other required actions associated with termination and wrapping up of the subaccount. These reasonable and documented fees for administration of the subaccount associated with termination and wrapping up of the subaccount include legal, bookkeeping and other administrative costs.

When a MARC Special Needs Pooled Trust is transferred to an alternative Trustee or Trustees, the following types of expenses may be paid from the beneficiary's Trust Account, prior to the transfer of funds:

- Taxes due from the trust to any state or to the federal government because of the termination of the account.
- Reasonable and documented fees for administration of the sub-account such as an accounting to a court, completion and filing of documents, or other required actions associated with termination and wrapping up of the subaccount. These reasonable and documented fees for administration of the subaccount associated with termination and wrapping up of the subaccount include legal, bookkeeping and other administrative costs.

All of the above fees are non-refundable. Fees are subject to change by the PLAN of Massachusetts and Rhode Island Board of Directors on prior written notice of at least 60 days to each affected trust beneficiary; individuals are entitled to an accounting from the trust.

3rd Party Special Needs Pooled Trust | Investments

In consultation with the investment management professionals at Webster Private Bank, PLAN of Massachusetts and Rhode Island selects one of the following investment portfolio options for each beneficiary subaccount:

Portfolio	Stocks	Bonds	Money Market Funds
<i>Cash</i>	0%	0%	100%
<i>Income</i>	0%	85%	15%
<i>Income & Growth</i>	20%	65%	15%
<i>Growth & Income</i>	40%	45%	15%
<i>Growth</i>	65%	20%	15%

Among other factors, the beneficiary's age, disability, living situation, account size, and supplemental needs are considered when determining an investment strategy. The portfolio selection is reviewed annually and may change over time as the beneficiary's circumstances change.

3rd Party Special Needs Pooled Trust | Disbursement Guidelines

GUIDING PRINCIPLES

Funds in an individual's Third Party Special Needs Pooled Trust account are to be used for the sole benefit of the Trust Beneficiary. The funds are to be used to enable the Trust Beneficiary to lead as normal, comfortable, dignified and fulfilling a life as possible. Payments of trust funds are to be made to third party vendors.

PLAN of Massachusetts and Rhode Island has total and sole discretion in making any payment from an individual's Third Party Special Needs Pooled Trust account. Neither the Trust Beneficiary nor any person acting on behalf of the Trust Beneficiary (including the Donor) can require payments from an individual's account.

SAMPLE DISBURSEMENTS

The following examples are not exclusive, but will illustrate the types of special, supplemental, non-support disbursements that are appropriate disbursements from the Third-Party Special Needs Pooled Trust:

- Health and dental treatment and equipment for which there are not funds otherwise available (e.g. eyeglasses, supplemental nursing care, dietary supplements, rehabilitative services, private therapy)
- Social services (e.g. companion services, private case management)
- Clothing
- Household items (e.g. furniture, bedding, television, microwave)
- Personal needs items (e.g. toiletries, haircuts)
- Telecommunications (e.g. cable, internet, phone/cell phone)
- Transportation (e.g. chair car service, taxi rides, adaptive vehicle purchase)
- Recreational & cultural items and services (e.g. travel, reading materials, movies, entertainment, education & training programs)

PROHIBITED USE OF FUNDS

- Alcohol
- Pornography
- Gambling

****Note:** The Social Security Administration has determined that restaurant charges and charges for food items at such places as convenience stores are payments for food. PLAN of Massachusetts and Rhode Island Special Needs Pooled Trust Funds therefore cannot be used to pay for restaurant charges or charges for items of food at convenience stores or other locations for beneficiaries who receive SSI benefits.

REQUESTING PAYMENTS

There are several methods for requesting distributions, including the following:

- Submit a Disbursement Request Form along with a **written estimate** or **invoice** to PLAN of Massachusetts and Rhode Island **-or-**
- After receiving pre-approval from PLAN, instruct a vendor to change the mailing address on future bills to:
Beneficiary's name
c/o PLAN of Massachusetts and Rhode Island
1340 Centre Street, Suite 102
Newton Centre, MA 02459 **-or-**
- An approved third party who makes purchases on behalf of the beneficiary may submit a Disbursement Request Form along with **itemized receipts** to PLAN of Massachusetts and Rhode Island. **No disbursements will be made if itemized receipts are not submitted along with the request form.** Copies of cancelled checks and accompanying invoices may also be submitted as receipt for payment.

Payments are generally made within 10 business days after receipt of request.

Please note: If any single request for payment exceeds \$3,000.00, it must be approved by the Executive Committee of the PLAN of Massachusetts and Rhode Island Board of Directors and may delay the payment process.

3rd Party Special Needs Pooled Trust | Considerations Before Enrolling

A Special Needs Pooled Trust is a valuable tool for supplementing public benefits and enhancing the quality of life for individuals who have disabilities. The administration of these trusts is governed by federal and state law, and requirements include the following:

- The trust is **irrevocable**; once the trust is funded, the beneficiary cannot change his/her mind and undo the trust.
- The trust is **discretionary**; PLAN of Massachusetts and Rhode Island is the only one who can authorize a payment from the trust. Neither the trust beneficiary nor anyone acting on behalf of the trust beneficiary can require payments from an individual's account.
- The trust funds are used for the **sole benefit** of the trust beneficiary; the funds in the trust sub-account cannot be used for gifts or for the benefit of someone else.

- Payments from the trust are generally made to third parties, not to the trust beneficiary. Sufficient documentation is required when requesting a payment.
- Annual management and other fees are deducted from each trust sub-account. These fees are detailed on the fee schedule.
- Although PLAN of Massachusetts and Rhode Island does not have a stated minimum deposit for establishing a Special Needs Pooled Trust, an evaluation of the net benefits in light of the fee structure is strongly encouraged prior to enrollment.
- Sufficient funds must remain in the beneficiary's sub-account at all times to cover fees.
- Upon the death of a trust beneficiary, no distributions of remainder funds can be made from the sub-account for **one year** after the date of death.

The decision to join the Third Party Special Needs Pooled Trust is an important one. Please contact us if you have questions or need additional information as you make your decision.

3rd Party Special Needs Pooled Trust | Creating an Account

PLAN of Massachusetts and Rhode Island strongly encourages anyone interested in establishing a Third Party Special Needs Pooled Trust to consult their own attorney. The process for creating an account includes the following steps:

1. Donor/Donor's Attorney submits a Joinder Agreement and enrollment fee.
2. PLAN attorney reviews the Joinder Agreement, and the Joinder Agreement is fully executed by a member of PLAN's Board of Directors.
3. If the account will be immediately funded, Donor submits check to fund the account.
4. PLAN submits new account paperwork and check to the financial institution.
5. PLAN forwards account confirmation materials to the Donor.
6. A PLAN Service Coordinator contacts the Donor to orient him/her to the program and assist in developing the Life Care Plan.