



LABOR & INDUSTRY FOR EDUCATION, INC.

POOLED TRUST I

## **TRUST GUIDELINES**

Labor & Industry For Education, Inc.  
112 Spruce Street #5  
Cedarhurst, NY 11516  
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[www.lifetrusts.org](http://www.lifetrusts.org)

## **THE TRUST/ELIGIBILITY FOR THE TRUST**

Labor & Industry For Education, Inc. (LIFE) has established the LIFE, Inc. Pooled Trust I, a Special Needs Trust specially designed to help enhance the quality of life for its disabled participants and to provide for their special needs. LIFE, Inc. is the Trustee, or administrator, of the Trust.

The trust is open to all people living in New York State who are considered “disabled” pursuant to the Social Security Law, §1614(a)(3), 42USC1382c(a)(3). So long as a person is disabled pursuant to this law, there are no restrictions to establishing an account in the trust based on ethnicity, race, gender, disability or religion.

It is important to note that LIFE is not giving legal advice or financial planning advice. Each participant, or their parent or guardian, must make the determination as to whether or not a pooled trust is right for them. You may want to discuss this with a lawyer, financial planner, or with a qualified agency case manager who works with the disabled.

## **BECOMING A MEMBER OF THE TRUST**

Once it has been determined that the LIFE, Inc. Pooled Trust I is right for the beneficiary, the following steps shall be taken to join the trust and establish a sub-account in the trust:

- The applicant must *fully* complete the Trust Joinder Agreement and the Beneficiary Background Information Sheet. These documents must be signed and notarized where indicated. *Note that incomplete documents, or unsigned/un-notarized documents, will be returned to the applicant and will slow down the process of establishing the trust.*
- The Joinder Agreement must be signed by (i) the Beneficiary (if they have capacity to sign), (ii) someone with power of attorney to act on behalf of the Beneficiary or (iii) a guardian of the Beneficiary.

In the event the Trust Joinder Agreement is signed by a guardian, the guardian must submit documentation proving its guardianship along with the Trust Joinder Agreement.

In the event the Trust Joinder Agreement is signed by an individual with Power of Attorney, the Power of Attorney form may either include specific language that the agent has power of attorney to establish trust accounts, and fund them, on behalf of the Beneficiary; or the POA documents may designate that agent has authority over “all other matters”.

- Fees:

A Fee Schedule is included in the trust establishment documentation. It explains the monthly administrative fee for LIFE as well as any other fees or expenses attached to the trust. Please note that a trust cannot be established without receipt of the sign-up fee. The sign-up fee is non-refundable.

Please also see the “Disbursements” Section, below, for more information on the initial deposit.

- A copy of Beneficiary’s social security card (if available)
- A copy of the Social Security Award Letter or other allowable proof of disability
- Medicaid acceptance letter, documenting the Medicaid-determined monthly spend down amount

All of the above should be sent to:

Labor & Industry For Education, Inc.  
112 Spruce Street, #5  
Cedarhurst, NY 11516  
Attention: Trust Department

LIFE will send a fully executed Trust Joinder Agreement to the Beneficiary, or the authorized contact, upon acceptance of the trust. At that point, Beneficiary

can submit the trust documentation to Medicaid or whichever other government benefits office requires it.

## **STATEMENTS AND TAX REPORTING**

**Monthly Statements.** LIFE shall send a monthly statement to the Beneficiary, or to an authorized representative of the Beneficiary, which shall set forth the monthly activity of the account. Such statements shall be emailed to the recipient, unless the Beneficiary or authorized representative of the Beneficiary requests that the statement be mailed via USPS regular mail.

## **DISBURSEMENTS**

**General Information.** All requests for disbursements from the trust must be made using the Disbursement form provided by LIFE. The form, which must be signed by an authorized party, shall be submitted to the Trustee along with all required documentary back-up (bills, receipts, invoices, credit card invoice, etc.). *Disbursement requests that lack the required documentation, or are improperly filled out, will be sent back and will slow down the disbursement process greatly.*

Note that disbursements cannot be made directly to the Beneficiary. All disbursements shall be made to the third-party service/goods providers. Pursuant to applicable laws, the requests for repayment must be for allowable items and charges incurred within 90 days of the date of request.

The Disbursement form and back-up can be sent to LIFE in one of three ways: (i) regular mail, (ii) fax (with attention to your point of contact), or (iii) email. Please note that fax or email will speed up the process for disbursements.

LIFE shall process payment of the allowable expenses as soon as is practically possible. However, there will be some amount of lag time for processing. Therefore, please be as prompt with all disbursement requests as is reasonably possible.

Every request on the Disbursement Form will be reviewed by the Trustee. Trustee shall promptly pay all allowable expenses requested to be paid on behalf of the Beneficiary.

Please note that payments cannot be made on bank holidays, and will be made on the following business day. The following are considered bank holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

**Allowable Expenses.** An "allowable expense" is an expense which is for the sole benefit of the Beneficiary and specifically to provide for the Beneficiary's needs, wants, care, education, training, rehabilitation and/or comfort, as well as any other expenditure allowable by applicable laws. The Trustee shall also take into consideration that the main purpose of the trust is to act in a way that will not jeopardize the Beneficiary's governmental benefits. Therefore, Trustee has sole discretion as to whether or not to fund any specific disbursement request.

*(Please note that different governmental benefits programs have different allowable expense rules. For example, an expense allowable under Medicaid rules may not be permitted under the SSI guidelines. An example of this is food and shelter, which is an allowable expense under Medicaid, but for the most part, not allowed pursuant to SSI guidelines.)*

Rental – The initial request must be sent in along with a copy of the signed lease showing Beneficiary as tenant. Landlord cannot be the spouse of Beneficiary.

Mortgage – Disbursement requests must be sent in along with a copy of the payment invoice/coupon from the mortgage servicer.

Credit cards – The amount of a credit card statement which is allowed shall be confirmed by the Trustee. No amount of cash drawn down is allowable. Credit card purchases must otherwise be "allowable expenses" pursuant to the trust and legal guidelines.

Reimbursements to family members may be allowed, but only after review by the Trustee. Non-cash gifts may also be allowed on a case-by-case basis.

In the event the Trustee disallows an expense, Beneficiary shall be required to pay for that expense out of their own, non-spend-down resources (e.g., SSI, SSDI or other income sources, etc.).

If you have specific questions about allowable or prohibited expenses, please feel free to contact our office.

**Monthly Disbursement Information.** Please note that the Trustee can only make payments for expenses if there is enough money in the Beneficiary's sub-account to cover the disbursement request. The Trustee shall deduct its monthly fee from the account prior to making disbursements. It is important for the Beneficiary or person authorized on Beneficiary's behalf to ensure there is enough money in the account to cover expenses.

*Available Balance.* The Beneficiary or person authorized on behalf of the Beneficiary will receive a monthly statement at the end of every month. This statement will not be useful in helping to ensure the balance in the account will be enough to cover all disbursements. It is suggested that the authorized person keep accurate records of their own. The basic formula is as follows:

Starting balance – Amount remaining in account after last month's disbursements
<b>Plus</b> Deposits made since last month's disbursements
<b>Minus</b> Trustee's monthly fee (pursuant to Fee Schedule)
<b>Minus</b> new disbursement requests
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Amount available for disbursement*

\*It is suggested that you always keep a small monetary cushion in the account to make sure that there is always a positive balance in the account.

## **TERMINATION OF A SUB-TRUST ACCOUNT**

Upon the death of the Beneficiary, the sub-trust account is terminated by law. It is the requirement of the person authorized on behalf of Beneficiary to contact the trust and inform the Trustee of the Beneficiary's death. A copy of the Beneficiary's death certificate is required to be submitted to the Trustee as well.

Pursuant to Federal Law, payments to third party vendors after the death of Beneficiary are not allowed. Funds remaining in the Beneficiary's account shall be retained by the trust for trust purposes, as set forth in the Master Trust documents.

Please contact the Trustee in the event the Beneficiary enters a nursing home or no longer has excess income to spend down.