

Life Navigators Special Needs Trust Program



Life Navigators Mission

To improve the quality of life for individuals with developmental and related disabilities, their families, and the community through information, education, advocacy and life planning services.



Who does Life Navigators serve?

Individuals with Developmental and Related Disabilities

- Kids
- Young Adults
- Adults
- Families (Parents, Siblings, Relatives)
- Professionals





Life Navigators Services

Information & Education
Self-Advocacy & Independence
Corporate Guardianship
Special Needs Trust Program
Family Support Program
Futures Planning
Court Comprehensive Evaluations
My Choice Wisconsin – Family Care CMU



Life Navigators Trust Program

**Securing the financial
future for kids and adults
with disabilities**



Why is Financial Planning so Important for Individuals with Disabilities?

- Preservation of Financial, Medical and Long-Term Care benefits
 - Will Foster Service Stability for the Individual
- Protects Vulnerable Individuals from Exploitation
- Leads to Futures Planning in Other Areas
 - Emergency Plan
 - Guardianship Discussions
 - Residential / Work or Day Program / Recreation / Social
- Creates Peace of Mind for Families and Loved Ones
 - Sets up a Unified Plan
 - Allows for an Improved Quality of Life for the Individual

Life Navigators Trust Options

	Trust I – Community Trust	Trust II – Pooled Trust	Trust III – Pooled Trust (for Age 65 and Over)
Funding Source	Third Party Trust: funded with third party assets, typically from a parent or grandparent	First Party Trust: funded <u>entirely</u> with assets that belong to the individual with a disability	First Party Trust: funded <u>entirely</u> with assets that belong to the individual with a disability
Examples of How a Trust Might Be Funded	Life Insurance of Parent Parent's Estate Plan Inheritance from Grandparent	Personal Injury Settlement SSI Back Payment Public Benefits Accrual	Asset Accrual Public Benefits Accrual
Time of Funding	Can occur at any time (during Settlor's lifetime or upon Settlor's death)	At time of enrollment (future Beneficiary contributions permitted)	At time of enrollment (future Beneficiary contributions permitted)
Age Requirements	No age requirement for Beneficiary	No age requirement for Beneficiary	Beneficiary must be age 65 or over
Remaining Assets Upon the Death of the Beneficiary	No Medicaid Payback Provision Settlor's choice as to how the remaining assets are distributed	Medicaid Payback Provision *	Medicaid Payback Provision *
How Dollars are Invested	Invested by Prairie Trust	Invested by Prairie Trust	Invested by Prairie Trust
Accounts	Each Beneficiary has an individual account	Each Beneficiary has an individual account	Each Beneficiary has an individual account
Fees	Please contact Life Navigators for the current fee schedule	Please contact Life Navigators for the current fee schedule	Please contact Life Navigators for the current fee schedule

Trust Set-Up Process

- Assessment of the Beneficiary's needs and wishes
- Review Beneficiary's Public Benefit Programs
- Educate Beneficiary / Settlor / Personal Needs Advisor on use of Disbursement Form and Supporting Documentation
- Develop a Plan for Using the Trust
- Set Up Recurring Disbursements (cell phone bill, cable bill etc...)
- Determine Need / Budget for Truelink card
- Determine Need for End of Life Planning for Beneficiary
- Determine Need for Other Supports or Services

What Can a Trust Fund?

- Designed to supplement public benefits programs by providing items that improve one's quality of life
 - Recreation programs, camps and social activities
 - Entertainment expenses, including cable, cell phone and internet
 - Vacation and travel
 - Transportation equipment and services
 - Communication and technology resources
 - Non-covered medical and dental expenses, therapeutic programming and equipment
 - In-home services and care providers
 - Prepaid funeral expenses
- All disbursements must be for the sole benefit of the Beneficiary
- Depending on Benefits, there may be limits on the ability to pay for basic living needs such as food, rent and utilities

Why a Life Navigators Trust?

- Affordable option for individuals and families
- Over 70 years of service to the greater Milwaukee community
- Trusted partner in service delivery
- Serve as Trust Manager – Know Public Benefit Rules
- Have Established and Approved Master Trust Documents
- Family can maintain involvement through Personal Needs Advisor role
- Life Navigators can also serve as Personal Needs Advisor if needed
- Work closely with Beneficiary and PNA to educate on using the Trust
- Connection to additional Life Navigators services
- Referrals to outside services

Life Navigators Trust Program Breakdown

- Total Life Navigators Trusts: 354
 - Funded Trusts: 124
 - Unfunded Trusts: 230
 - Life Navigators Trusts include a range of values
 - Lowest Value: \$1,000
 - Highest Value: \$1,400,000
 - Average Value of a Life Navigators Trust:
 - Trust I: \$96,190
 - Trust II: \$114,321
 - Trust III: \$168,652
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Getting Started

Set Goals

Identify Your Team

**Meet with Financial and
Legal Professionals**

Complete Instrument of Adoption

Meet with Life Navigators





LIFE NAVIGATORS TRUST PRESENTATION

SPECIAL NEEDS TRUST

A Key For Your Future

January 21, 2021

Presented by: Nancy K. Schoenberg

Direct Line: 262-953-2438

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Not FDIC Insured	Not Guaranteed By The Bank	Not A Deposit
May Go Down In Value	Not Insured By Any Federal Government Agency	

Prairie Trust

- Who are we?
- What does the Trustee do?
- How do we invest a Life Navigators Special Needs Trust
- How do we make distributions to Trust Beneficiaries



Who are we?

Prairie Trust, A Division of Waukesha State Bank is the Corporate Trustee of the Life Navigators Trusts

- Trust I – Community Trust – Trust funded by third parties
- Trust II and Trust III Pooled Trust – Trust funded with assets owned by the beneficiary

We have been serving as Life Navigators Trustee for over 15 years

- Committed to serving those with disabilities
 - Helping preserve government benefits by managing the trust property
 - Helping meet cash flow needs with prudent investment management
 - Helping improve the quality of life by working as a team with Life Navigators, Personal Needs Advisors, Advocates, and Legal Advisors



Trustee Responsibilities (Non-inclusive)



... A Higher Standard
of Care

Duties to Beneficiaries

- Act solely for their benefit

Legal Obligations

- Assume legal responsibility for the proper administration of the trust
- Understand public benefits and keep up with changing rules
- Seek legal counsel when needed

Accounting and Administration

- Provide principal and income accounting
- Make payments to ensure Beneficiary's comfort and happiness

Tax-Related Responsibilities

- Document asset acquisition dates and cost basis
- File annual trust tax returns and furnish tax information to beneficiary or legal representative

Investment Management

- Develop appropriate strategy to protect the interests of the beneficiary
- Manage and invest the trust funds



Investment Process

Small accounts (Below \$50,000)

- Waukesha State Bank Money Market
 - Current yield = 0.15%
- Balanced Mutual Fund
 - Fidelity® Balanced Fund
 - 1 Year Rate of Return as of 12/31/2020 = 22.43%
 - 3 Year Rate of Return as of 12/31/2020 = 13.48%
 - 5 year Rate of Return as of 12/31/2020 = 12.75%

Large Accounts (Above \$50,000)

- Asset Allocation Portfolios
 - Aggressive Growth (90%/10% Mix)
 - Growth (75%/25% Mix)
 - Moderate Growth (60%/40% Mix)
 - Income & Growth (40%/60% Mix)
 - Conservative (20%/80% Mix)



Investment Process

Goals and Objectives

- Assessing our client's goals and objectives is the foundation of our investment process
 - Risk Tolerance
 - Time Horizon
 - Current and future needs of Beneficiary
 - Asset size

Asset Allocation

- Process of combining diversified assets through ownership of mutual funds and ETF's
- Portfolio rebalancing is utilized to position portfolios for long term growth in alignment with investment goals and objectives

Investment Committee

- Team-oriented approach
- Ongoing monitoring of the mutual funds and ETF's
- Fi360 is one of the tools we utilize in our investment decision making process
- Review each trust account on an annual basis

Specialty Assets

- Home Purchase
- Vehicles



Guidelines for Disbursements

All requests for disbursements must be completed on the Disbursement Request form and accompanied by supporting documentation. The form can be found on Life Navigators website (lifenavigators.org). The form and documentation is then submitted to Life Navigators via email, fax, or mail. Requests are then reviewed and if approved will be processed within 10 business days.

When Prairie Trust and Life Navigators considers whether to approve a disbursement request the following best practices are used as a guide for decision making.

- Government and Public Benefits Beneficiary is currently receiving
- Is it for their benefit?
- Adequate funds?
- Is it prudent?
- Beneficiary's needs?
- Disbursements over \$25,000 in a calendar year require Prairie Trust's Discretionary Payments Committee approval



Guidelines for Disbursements

Who Can Receive Funds

- Service Providers
- Personal Needs Advisor or Advocate who purchased goods and services on behalf of beneficiary
- A prepaid True Link Visa card
 - \$10.00 monthly fee
 - Can restrict certain types of purchases (i.e. ATM, casinos, phone purchases, liquor stores, restaurants, etc.)

Reasons a request may be denied

- Jeopardize benefits
- Request is for cash/check to beneficiary
- Purchase of money orders, gift cards, or charitable donations
- Potential safety risk – weapons, drugs, alcohol
- Items that do not represent a prudent use of the trust funds



Conclusion

Special Needs Planning for a loved one with disabilities is critical and is always challenging for families. It is important to start TODAY and select the proper team to provide lifetime management, advocacy, and protection for your loved one.

"A diagnosis defines a lot of things, but it doesn't define love."

– Lexi Behrndt

