



## **SURPLUS INCOME TRUST**

*(A Trust for Persons with Disabilities)*

*(To Hold Excess Income Only)*

## **Questions & Answers**

1501 Franklin Ave.  
Mineola, NY 11501

516- 34-TRUST (348-7878)

Fax: (516) 519-5218 or 802-8459

Email: [trustservices@lifesworc.org](mailto:trustservices@lifesworc.org)

Website: [www.lifesworctrust.org](http://www.lifesworctrust.org)

*This document is distributed with the understanding that Life's WORC is not rendering legal, accounting, tax or other professional advice or opinions on specific facts or matters, and, accordingly, assumes no liability whatsoever in connection with its use. Persons with disabilities and their families are strongly encouraged to consult with an attorney who has the knowledge and expertise in the estate planning process as it pertains to the special needs of persons with disabilities.*

# Life's WORC Surplus Income Trust

## Questions and Answers

### How Do I Become A Participant of the Life's WORC Surplus Income Trust?

Life's WORC does not give legal, financial, tax or other advice to prospective beneficiaries. Prospective beneficiaries should consult with their attorneys, case managers, or other advisors before seeking participation in the trust. However, once it has been determined that this program will meet the needs of the individual, the following information will assist in applying.

A completed, signed, and **notarized** Joinder Agreement must be submitted. It may be signed by the trust beneficiary (account holder), her parent, grandparent, guardian or properly authorized power of attorney. Be sure to include any additional information needed such as copy of guardianship, power of attorney document, etc.

The minimum initial deposit to establish an account is \$300.

Mail the Joinder Agreement and required information, with a check or money order to:

Life's WORC Trust Services  
Mineola, NY 11501

#### Notes:

- *Accounts are not accepted or established until funded.*
- *The funds to establish the account must be (cashier's check, money order, personal or certified check drawn on beneficiary's bank account).*
- *All funds deposited must belong to the account beneficiary.*
- *It is the responsibility of the account beneficiary to submit trust documents to Medicaid for approval.*

### Is There a Fee to Establish an Account?

The minimum initial deposit to establish an account is \$300. There is a one-time enrollment fee of \$250 to establish the Life's WORC Surplus Trust account. This fee will be deducted from the initial deposit.

Monthly fees are charged per the current fee schedule in effect. Please note that the administrative fee for the first month is deducted from the sub-trust account in the month it is established.

Trust expenses and fees are deducted before requested disbursements; please remember to consider this when submitting disbursement requests.

### How Should Funds be Made Payable?

Funds should be made payable to *Life's WORC Surplus Income Trust "fbo: name of beneficiary".* Initial funds deposited must be in the form of a check, money order, or certified check, (the

# Life's WORC Surplus Income Trust

## Questions and Answers

beneficiary's name must be on the account). *Cash deposits will not be accepted*. The funds used to open the account must belong to the beneficiary.

### **How Will I Know My Account Has Been Opened?**

You, or the contact person listed in your Joinder Agreement, will receive an acceptance letter and a trust binder containing a copy of your accepted Joinder Agreement and other information regarding the trust. (Please note: Account approval may require up to **21** days).

### **Where Do I Send Future Deposits?**

When your account is opened, you will receive deposit coupons with your trust binder. All future deposits must be submitted to the address below. This address is included on the deposit coupon for your convenience.

Life's WORC Trust Services  
Mineola, NY 11501

### **Can You Accept Direct Deposit and Wire Transfers?**

Direct deposit of your excess income can be established after 3 consecutive months of deposit activity. The application to request direct deposit is included in your trust binder. You may complete the form and submit it to the Life's WORC trust department at the address above.

### **When Can I Start Requesting Disbursements From My Account?**

Requests for disbursement may be submitted 14 days after the account is funded with the minimum balance of \$300 which must be maintained at all times. Please note that unless paid separately, the \$250 enrollment fee is deducted from the initial deposit. In addition, the first month's administrative fee is charged in the month the account is established. Only funds in excess of your minimum balance requirement (\$300) are available for use.

### **How Do I Request a Disbursement?**

All requests for disbursement must be submitted in writing and signed by the beneficiary or authorized representative. Disbursements must be for the sole benefit of the beneficiary. Disbursement request forms are included in the trust binder.

All disbursements are made at the sole discretion of the Trustees. Therefore, inappropriate requests and/or those lacking proper documentation may be denied.

Appropriate documentation regarding the request must be attached. All information contained on the disbursement request form must be completed.

Below are examples of the documentation required. Depending upon the request, additional information may be required:

- An invoice, which has the disabled beneficiary's name on it.

# Life's WORC Surplus Income Trust

## Questions and Answers

- Rent — a current signed lease indicating the beneficiary as tenant must be on file. Rent will not be paid unless a lease has been received. *Note: A lease between spouses will not be honored.*
- Credit card — the full detailed statement showing all current charges must be submitted. Payment for past purchases will not be made. Additional documentation may be requested as necessary. In addition, no charges from a pharmacy, physician, or medical office will be paid. Payment for cash advances also will not be paid.
- Utility bill with disabled beneficiary's name on it.

Approved requests are processed approximately 14 days after the approval date. Please plan accordingly; Life's WORC Pooled Trusts is not responsible for late charges incurred.

### Notes:

- *Disbursement requests require appropriate documentation and available funds. Lack of documentation or available funds will result in delayed processing time.*
- *Expense must have been incurred within 90 days of request.*
- *See Information & Procedures Booklet for further details*

### Where Do I Send Requests For Disbursements?

All requests must be in writing. Disbursement request forms are included with your trust binder, and will also be mailed to you periodically.

Mail to:

Life's WORC Trust Services

Mineola, NY 11501

Or Fax: (516) 519-5218 or 802-8459

### Can I Have My Monthly Rent, Maintenance Fee, or Mortgage Paid Automatically Each Month?

Once you have been a trust participant for 3 months and made 3 consecutive monthly deposits, you may request automatic payment. You must complete an **automatic payment application**, which is included in your binder.

### Guidelines:

- Monthly deposits must be received at least 3 business days prior to issue of automatic payment. Failure to do so may result in cancellation with little or no notice.
- Minimum balance requirement must be met at all times. If the account balance falls below this level, automatic payment may be cancelled with little or no notice

# Life's WORC Surplus Income Trust

## Questions and Answers

- If a monthly deposit is missed or returned for insufficient funds, the automatic payment will be cancelled. Three additional consecutive monthly deposits will be required, as well as, a new application for automatic payment submitted, prior to re-starting.

### **Are there disbursement limitations?**

In addition, prohibited distributions include, but may not be limited to, the following:

- Disbursements payable to the beneficiary
- Rent relating to a lease between spouses
- Tobacco and alcohol
- Bail, restitution, and related legal fees
- Fire arms
- Medicaid eligible expenses incurred after the trust was established
- Gifts, including gift cards or gift certificates
- Donations
- Bills for payment of monthly "surplus income"
- Medical expenses eligible to reduce monthly surplus income
- Cash advances taken on credit cards
- Payments to financial institutions for debit cards charges, overdraft fees/expenses, lines of credit

Current expenses including credit card charges must be incurred within 90 days of submission for payment to be made. Disbursements will not be issued directly to the Disabled Beneficiary. All disbursements will be made to third party vendors unless the vendor is supplying a service for which Medicaid or another government program will pay. All disbursements must be for the sole benefit of the Trust beneficiary.

All third party service providers and vendors must be **legitimate registered businesses**. Beneficiaries or their representatives must submit adequate documentation when requesting disbursements or automatic payment of bills.

### **What constitutes "adequate documentation" to process a disbursement or automatic payment request?**

Adequate documentation means a bill, clearly indicating the beneficiary's name, address, the third party's name, address, phone number and current date (within 90 days of submission date) must also be on the bill. The bill must clearly identify the product/ item or service the payment is being applied to.

### **How will notices of refusals to pay certain charges be communicated?**

# Life's WORC Surplus Income Trust

## Questions and Answers

Life's WORC trust administrator or a designated representative will call and send the beneficiary written notification of refusal to pay. In such situations the beneficiary should be able to use their other personal funds to pay these bills.

### **Can a family member be reimbursed for a purchase made on my behalf?**

Upon submission of a written request and appropriate receipts, another individual may be reimbursed for expenses paid on behalf of the beneficiary. Each request is reviewed individually so contact the Life's WORC Pooled Trusts department prior to making the expenditure to assure the item(s) is eligible for reimbursement. The reimbursement request must be submitted within **90 days of the date of incurring the expense.**

Only expenses made for the sole benefit of the beneficiary will be considered.

### **Will I receive a monthly statement?**

Monthly statements are mailed from the bank approximately 2 weeks after the end of each month.

Statements will be mailed to the person indicated in the Joinder Agreement. Statements include a summary of the month's activity in the account.

### **I have not received my statement yet, how do I know the balance in my account?**

Because a pooled supplemental needs trust is very complicated in nature, account information is only available to the trustees after month-end processing by the bank. Therefore, we suggest that you keep a record of your deposits and disbursement requests submitted. Additionally, each beneficiary is provided with an account ledger to track monthly expenditures. Please do not submit disbursement requests in excess of your monthly deposit minus fees.

The below formula will assist you when calculating the amount available for use between statements:

Account balance from last account statement  
+ Deposits made since last statement \*  
-Disbursements submitted since last statement  
-Monthly Administrative fee  
=Total current balance  
-One month deposit (minimum balance requirement)  
=Balance available for disbursements

\*Deposit must have been received by the Life's WORC Trust Department.

### **Does Life's WORC provide proof of deposit to Medicaid?**

# Life's WORC Surplus Income Trust

## Questions and Answers

Life's WORC will send proof of establishment of the trust including initial deposit as well as copies of monthly statements to Medicaid. Upon special request, Life's WORC will fax deposit confirmations within 48 hours of receipt. You must supply us with the name, telephone, and fax number of the individual to receive the confirmation.

*Note: We will also notify Medicaid of any check returned to us for insufficient funds.*

### **Can I change the amount of my monthly deposit?**

The surplus income deposit should remain the same each month and may only change annually after the Medicaid recertification is completed. If the full amount of the monthly excess income is not deposited this will jeopardize your continued eligibility for Medicaid. As noted above *Life's WORC is obligated to notify Medicaid of non-receipt.*

### **What happens to the balance in my account upon my death?**

Consistent with Federal statute, the sub-trust account terminates upon the death of the beneficiary and all funds remaining in the separate trust sub-account shall remain with the Trust to further its purposes.

The party authorized to speak with us on your behalf or a designated intermediary must notify Life's WORC immediately upon your death and will be required to provide a certified death certificate.

Upon receipt of the death certificate, final disbursements for expenses incurred prior to death may be considered if submitted within 90 days by an individual authorized to make disbursement requests.

Per Federal Statute, no disbursements may be made for expenses incurred after death. Any individual requesting and/or receiving disbursements for expenses incurred after the death of the beneficiary will be required to repay the amount disbursed.

### **Can funeral expenses be paid from my account?**

Per Federal statute no disbursements for expenses incurred after death may be made from the sub-trust account. Life's WORC encourages the purchase of a Medicaid eligible irrevocable prepaid burial contract during the beneficiary's lifetime.

No disbursements for funeral arrangements will be made from the sub-trust account after the death of the beneficiary.