



ENROLLMENT GUIDE

WELCOME TO YOUR POOLED
SPECIAL NEEDS TRUST!

Welcome to JLA Trust! We're so thrilled to welcome you to our family. Whether you're extremely familiar with trust services or new and learning, here are some basics about how things will work with your JLA Special Needs Trust!

KEY WORDS

A **disbursement** is money paid from the trust.

SNT is a common abbreviation for special needs trust.

Irrevocable means cannot be altered or changed. For our purposes this means once you've set up your trust, funds stay in your trust until they are spent or you pass away.

A **fiduciary** is a person (such as a trustee or conservator) who has the power to act on behalf of another person, known as the beneficiary. They have a legal obligation to act in that person's best interest. In California, anyone who is named as a fiduciary in more than three cases must be licensed by the state.

True Link is JLA Trust's financial partner. They help your money grow by managing trust investments, and provide True Link Prepaid Visa cards to make the disbursement process easier.

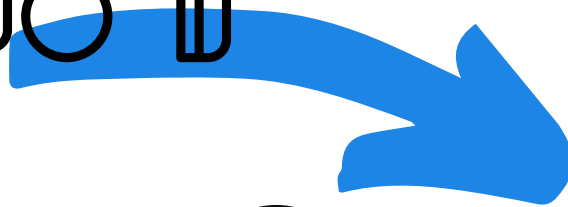
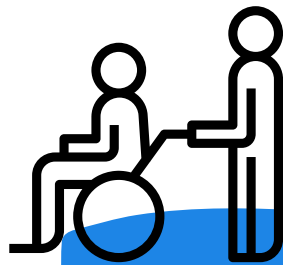


KEY PLAYERS

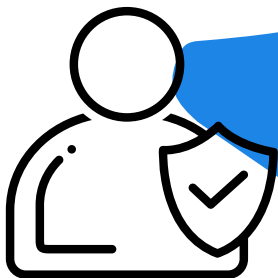
A **beneficiary** is the individual for whom a trust is created, and the only person who can legally benefit from the funds in the trust. In the case of a SNT, this is a person with a disability, generally receiving government benefits.

A **beneficiary advocate** is a trusted family member or friend of the beneficiary who, in a non-legal role, helps create the spending plan and articulate the beneficiary's needs to JLA Trust.

Our **trustee** is a licensed professional fiduciary whose legal responsibility is to ensure that the trust is administered as it is legally defined in the master trust. He or she oversees all disbursements made at JLA Trust.



Your **customer service representative** is your main point of contact at JLA Trust. They work as a bridge between you and the trustee, as an advocate for your needs, and help you with whatever disbursements you need.



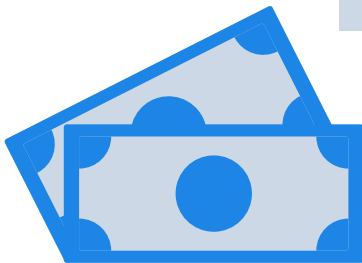
USING YOUR TRUST

FUNDING

- Money is deposited into a Special Needs Trust created for the benefit of the beneficiary.
- These funds are under the Trustee's oversight and sheltered in the trust, protecting your valuable government benefits.
- Money in your trust earns investment income in custodial accounts at Charles Schwab, managed by True Link.
- If you are under 65, more money can be added to the same trust at any time that you receive it.



DISBURSEMENTS



- Most beneficiaries receive a monthly sum (determined by their spending plan) of disbursed money deposited onto a True Link Prepaid Visa card to pay for things like transportation, clothes, hobbies, and more.
- Certain expenses (like rent or payments to a caregiving agency) will be paid directly from the trust by check without using the True Link card.
- Legally, money from the trust can **never** be paid directly to the beneficiary. This includes cash withdrawals.
- For one-time expenses like computers, vacations, and large medical expenses, contact your JLA customer service rep to get a disbursement outside of your spending plan.
- Depending on the government benefits the beneficiary is receiving and their spending plan, some purchase categories may be blocked on their True Link card.
- All disbursements are overseen by a professional trustee and require pre-approval. As part of their fiduciary responsibility to the beneficiary and the trust, there are times when a good trustee must disapprove requested disbursements.

SPENDING PLANS

One of the first things you'll do as a JLA client is work with your customer service rep on a spending plan that suits your needs. A good spending plan helps you budget, and make the most of your trust funds and helps to ensure they will be around for many years to come. Some clients receive a disbursement monthly, based on their spending plan. Every client is different – some prefer to receive smaller disbursements more frequently, and others use their SNTs only for larger purchases.

1. What are your primary goals for this Trust in terms of ensuring health & safety, maximizing independence, and living a high quality of life?

My parents left this money to me so I could live a little less frugally and enjoy life more.

2. I would like my Trust to last for 10 years.
3. I would like my annual budget to be \$36,000 dollars.

MONTHLY RECURRING EXPENSES – DOES NOT EFFECT BENEFITS

Please include any recurring monthly expenses that you would like the trust to pay for. Please note that some items may affect your eligibility for government benefits if paid by the trust.

| Rent / Utilities | |
|-------------------------------|---------|
| Rent | \$ 1800 |
| Phone / Cell Phone | \$ 50 |
| Cable / Internet | \$ 100 |
| Food / Household Expenses | |
| Repairs | \$ |
| Supplies | \$ |
| Furnishings | \$ |
| Appliances | \$ |
| Gardening services | \$ |
| Groceries | \$ 400 |
| Restaurants | \$ 150 |
| Personal / Medical Care | |
| Medications | \$ 50 |
| Personal hygiene | \$ 50 |
| Other personal / medical care | \$ |
| | |
| Insurance | |
| Life | \$ |
| Medical | \$ |

| Transportation / Auto | |
|---------------------------------|--------|
| Gas | \$ |
| Repairs | \$ |
| Tolls | \$ |
| License and registration | \$ |
| Insurance | \$ |
| Public transportation | \$ 50 |
| Taxis, etc. | \$ 100 |
| Loan payment | \$ |
| Other | \$ |
| | |
| Clothing | |
| Clothes | \$ 100 |
| | |
| Entertainment | |
| Movies, concerts, museums, etc. | \$ 150 |
| | \$ |
| Travel | |
| Air, train, etc. | \$ |
| | |
| Other | |
| | \$ |

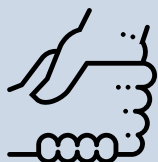
MONTHLY DISBURSEMENT TOTAL: \$ 3000

FOR SSI RECIPIENTS MONTHLY RECURRING EXPENSES – MAY AFFECT BENEFITS IF PAID BY TRUST

| Housing | |
|-----------|----|
| Mortgage | \$ |
| Insurance | \$ |
| Taxes | \$ |
| | |
| | |

| Utilities | |
|---------------|----|
| Heating | \$ |
| Electricity | \$ |
| Trash/Garbage | \$ |
| Water | \$ |
| Sewer | \$ |

ANTICIPATED ONE-TIME DISBURSEMENT TOTAL: \$ 0



WANT TO MAKE CHANGES?

The spending plan you create when you first join the trust is not set in stone. If your life circumstances change, receive more money, or feel that the money in your trust is going faster than you want it to, talk to your customer service rep.

ALLOWED DISBURSEMENTS

HOW CAN I SPEND MY MONEY?

Making disbursements, or spending your trust funds is not the same as spending the money you have in your bank account. Your trust spending is overseen by a professional Trustee, whose job it is to make sure the trust is spent responsibly. Because of this, there are times when we will say no to your requested disbursements. The **decisions we make about**

disbursements are individual, and can vary client-to-client for many reasons — we might keep "auto repairs" blocked for a client who doesn't have a car, for example. The following list provides a general guide to allowable and unallowable expenses for most of our clients!



| Category | Examples | JLA Policy |
|-------------------------|--|---------------------------------------|
| Auto Repair and Dealers | Ford, Toyota, Autozone | Allowed if beneficiary has a vehicle. |
| Bars and Liquor Stores | Bars, liquor stores, nightlife, wineries | Blocked. |
| Beauty | Hair salons, barber shops, spas | Generally allowed. |

ALLOWED DISBURSEMENTS

| Category | Examples | JLA Policy |
|------------------------|-------------------------------------|--|
| Charitable Donations | Red Cross, American Cancer Society | Blocked, since they are not legally for the beneficiary. |
| Cleaning Services | Maid services, laundromats | Generally allowed. |
| Education | Universities, tuition. | Allowed if beneficiary is a student. |
| Financial Transactions | ATM withdrawals, wire transfers | Not allowed under any circumstances. |
| Food (Grocery) | Ralphs, Trader Joe's, Whole Foods | Generally allowed. |
| Food (Restaurants) | McDonalds, restaurants, caterers | Generally allowed. |
| Gas Stations | Chevron, Shell | Allowed if beneficiary has a vehicle. |
| Home Repair | Heating contractors, landscaping | Generally allowed. |
| Local Transit | Bus passes, Lyft, Amtrak, Greyhound | Generally allowed. |

ALLOWED DISBURSEMENTS

| Category | Examples | JLA Policy |
|---------------------------------|----------------------------------|--|
| Medical and Care | Doctor, dentist, hospital | Generally allowed. |
| Pharmacy | CVS, Walgreens | Generally allowed. |
| Professional Services | Accountants, attorneys | Allowed, but needs pre-approval. |
| Recreation and Entertainment | Amusement parks, movie theaters. | Generally allowed. |
| Rent | Rent payments. | Occasional restrictions for SSI recipients*. |
| Shopping | Target, Amazon, Sears, Macy's | Generally allowed. |
| Travel and Transportation | Airlines, car rentals, hotels | Allowed, but blocked until requested. |
| Utilities | Gas, power | Not recommended for SSI recipients*. |
| Wire Transfers and Money Orders | Western Union, Moneygram | Not allowed under any circumstances. |

SPECIAL CASES



*RULES FOR CLIENTS ON SSI

SSI recipients can have their benefits reduced if they receive assistance paying for utilities, so it is best practice for clients receiving SSI not to use their trust funds for gas, power, water, or garbage bills for this reason. If you would like these bills paid with your trust funds and are comfortable with a reduced SSI amount, you can sign a waiver.

Rent payments can be made with trust funds without a reduction in SSI funds as long as the total monthly rent cost is above the Presumed Maximum Value as determined by the Social Security Administration (\$334.33 in 2024).

RULES FOR CLIENTS WITH SECTION 8

If you receive a Section 8 Voucher, there's no problem with creating a special needs trust and you will keep your eligibility. However, for now, some non-medical disbursements from the trust may be considered to be "income" to the tenant and may result in an increase in rent. This problem will soon be eliminated with the implementation of a new Federal law.



CAR PURCHASES

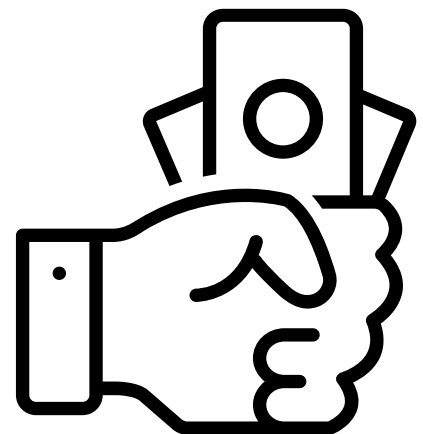
Subject always to the trustee's discretion, vehicles may be purchased with trust funds. In most cases, the purchase price of the vehicle should not exceed 25% of the beneficiary's trust funds. JLA Trust places a lien on all vehicles purchased with trust funds.



INVESTMENTS

Whether your money is placed in our conservative, conservative growth, or moderate growth profile, your money has the potential to earn investment income! Our professional investment partners at True Link work hard to make sure you get the best return on your money. Statements are always available online. Quarterly paper statements are mailed four times a year, approximately two weeks after each quarter ends.

FEE SCHEDULE



ONE-TIME FEES

JLA Trust charges a flat, one-time enrollment fee of **\$1300** to all active trusts when they are established.

Future-funded third party trusts can be established for a fee of **\$600**. No disbursements can be made from these accounts until they are activated with at least \$20,000 in assets.

JLA also charges a closing fee of \$300 upon trust termination.

ONGOING FEES

1

JLA Trust charges an annual fee for our services every year on the anniversary of trust establishment. The fee varies depending on trust size.

Trusts between \$20,000 and \$60,000 will pay **\$800**.

Trusts between \$60,001 and \$150,000 will pay **\$1,325**.

Trusts between \$150,001 and \$350,000 will pay **\$3,100**.

Trusts between \$350,000 and \$500,000 will pay **\$4,200**.

Trusts over \$500,001 will pay **1%**.

2

Our financial partner, True Link Financial, assesses a quarterly fee of 0.25%.

3

You may also be charged ETF fees by brokers. These usually average out to around 0.07% of trust funds and allow your money to earn investment income.

EXAMPLES OF TOTAL ANNUAL FEES

| Trust Size | JLA Fee | True Link Fee | ETF Fees | Total |
|------------|---------|---------------|----------|---------|
| \$20,000 | \$800 | \$200 | \$40 | \$1,040 |
| \$50,000 | \$800 | \$500 | \$100 | \$1,400 |
| \$100,000 | \$1,325 | \$1,000 | \$200 | \$2,525 |

TAXES

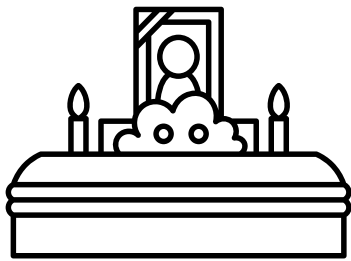
Trust taxes are overseen by JLA Trust. If money has been disbursed to you, you will receive a K-1 tax form or equivalent tax document from us. **You are responsible for filing your own personal taxes.** Tax preparation can be paid from your trust account.



FUNERAL PRE-PLANNING

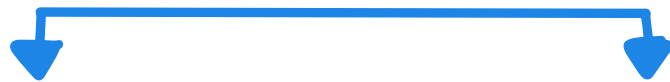
Everyone deserves a dignified burial or cremation, but government rules don't allow funds from a special needs trust to be used after the death of a beneficiary, so it's very important to make funeral plans ahead of time. We know it's a sad topic, but pre-planning for you or a loved one's funeral expenses ensures that you are able to secure your wishes for your legacy, and that family members are not financially burdened.

FUNERAL EXPENSES CAN INCLUDE:



- Burial or cremation costs
- Urns and caskets
- Plot or mausoleum crypt
- Preparation of the body and use of a hearse
- Funeral service costs

PRE-PLANNING OPTIONS



1

PAY AHEAD

Use the funds in your trust now to make the arrangements you prefer with the funeral home of your choice.

2

INSURANCE

Use the funds in your trust to purchase funeral insurance, so costs will be covered but no lump sum needs to be paid.

If you don't want to choose either option you will need to sign a waiver acknowledging that your trust will not be able to pay for funeral expenses.

TRUST TERMINATION

Once your trust has been funded, the trust is irrevocable, and funds cannot be "taken out" of the trust, only disbursed for the benefit of the beneficiary. SNTs terminate either when all money has been disbursed (with no more funds expected to be deposited), or upon the death of the beneficiary.

What happens to any remaining funds in your trust upon termination depends on the type of trust you have. 90% of 3rd Party Trust remainders are distributed to named family heirs, with 10% retained by JLA Trust for charitable purposes.

The majority of 1st Party Trusts goes to Medi-Cal paybacks, with 10-50% retained by JLA Trust for charitable purposes. Any remaining funds after the Medi-Cal payback will go to named family heirs.

Remember to keep your named heirs updated with JLA as things change!