

## Life Navigators Frequently Asked Questions



# Frequently Asked Questions

## Understanding the Life Navigators Trust Program

1. **What is the difference between the Life Navigators Trust I – Community Trust, Life Navigators Trust II – Pooled Trust and Life Navigators Trust III – Pooled Trust?**

The Trust I – Community Trust is established with assets from a third party, often parents or grandparents. Because these assets were never those of the Beneficiary, there is no payback provision to the State of Wisconsin for SSI income and/or Medicaid (T-19) received by the Beneficiary. The Beneficiary must have a diagnosis of a developmental or related disability.

The Trust II – Pooled Trust is funded using ONLY assets of the Beneficiary under the age of 65. If there is MORE money left in the Trust II account than is owed back to the State when the Beneficiary dies, the State collects its portion and the remaining assets go to the remainderman. If there is LESS money left than is owed back to the State when the Beneficiary dies, the State collects nothing and all remaining funds are retained by Life Navigators to assist other individuals with disabilities.

The Trust III – Pooled Trust is funded using ONLY assets of the Beneficiary who is age 65 or over. The Beneficiary must have, or have applied for, a favorable disability determination letter from the Disability Determination Bureau or Social Security Administration. The distribution of money remaining in the Trust after the death of the Beneficiary is the same as Trust II, referenced in the paragraph above.

2. **What if I can't afford the attorney fees for setting up a Trust?**

Life Navigators offers a Beneficiary Legal Fund to ensure additional individuals with disabilities can plan for their service and financial needs. The Beneficiary Legal Fund is available to cover the cost of legal fees to implement a Funded Trust I, II, or III with final assets at or below \$100,000. Each Beneficiary can access up to \$2,000. The funds can be paid directly to the trust account or to the attorney drafting the trust. The Beneficiary Legal Fund Request Form can be found on page eight. A fillable PDF version and all of our Trust Program documents are also available on our website, LifeNavigators.org.

3. **What is the difference between revocable and irrevocable trusts?**

A revocable trust is a trust in which the Settlor keeps the power to terminate the trust and regain full control over the property. An irrevocable trust is one in which the Settlor does not keep this power. An irrevocable trust cannot be terminated, except at the discretion of the Trustee. An irrevocable trust can be altered but only in regard to administrative or ministerial terms. Life Navigators Trust accounts are irrevocable.

4. **Can a Beneficiary have both a Special Needs Trust and an ABLE (Achieving a Better Life Experience Act) account?**

An ABLE (Achieving a Better Life Experience Act) account is a savings account for an individual who has a qualifying disability that occurred prior to their turning 26 years of age. Similar to a Special Needs Trust, an ABLE account is a non-countable resource for the purposes of Supplemental Security Income and Medicaid. Funds placed into an ABLE account are subject to a Medicaid Pay-Back provision.

While Special Needs Trusts and ABLE accounts are both financial tools used to manage funds without affecting an individual's eligibility for benefits, they have different rules and regulations. For some individuals, it may be beneficial to have both accounts to achieve a financial goal. Each situation is unique and should be discussed with the Beneficiary's legal counsel.



5. **What is an Instrument of Adoption and is it a requirement to establish a Life Navigators Trust?**

An Instrument of Adoption is the legal document, which outlines the terms of the Trust. This binding agreement is executed and signed by the Settlor(s), Financial Needs Advisor and Trustee. This document must be drafted and executed by an attorney. All Life Navigators Trust documents can be found in a fillable PDF file format on our website, LifeNavigators.org.
6. **Who is the Personal Needs Advisor? What do they do?**

The Personal Needs Advisor is a person designated by the Settlor to stay informed of the Beneficiary's needs and desires and to inform the Trust Manager or Trustee of ways in which the trust assets can be used to meet those needs. This person should know the Beneficiary well or be in a position to learn the Beneficiary's needs. The person should also know what support services the Beneficiary receives and should be willing and able to stay in regular contact with the Beneficiary. This allows the Personal Needs Advisor to keep abreast of the Beneficiary's unmet needs and desires. If the Beneficiary does not have a person designated who can serve in this role, Life Navigators can serve as Personal Needs Advisor, which is a unique offering of our Trust Program.
7. **How does a Life Navigators Trust work with SSI and Medicaid?**

If an individual with a disability has assets that are not held within a Special Needs Trust, once those assets accumulate to more than \$2,000, the individual would lose SSI and/or Medicaid (T-19) benefits. A Special Needs Trust is a legal mechanism whereby a person with a disability can benefit from assets in excess of \$2,000 without affecting public benefits.
8. **What happens if an individual with a disability receives an inheritance?**

If an individual with a disability receives an inheritance, it could render the individual ineligible for public benefits. Whenever possible, Life Navigators recommends that an inheritance, rather than being left directly to an individual with a disability, is instead paid directly into a Trust I – Community Trust for the benefit of the individual. If an inheritance is paid directly to the individual with a disability, there is also a Trust II – Pooled Trust or Trust III – Pooled Trust which is available to prevent the individual from losing their public benefits.
9. **What are the investment risks of a Community Trust?**

As with any financial instrument, there is risk of a decline in the market and the worth of one's investment. The Trustee is responsible to monitor market activity to make prudent investments. The specific stock and bond investments are ultimately determined by the Trustee in conjunction with an assessment of the risk and return objectives of the investor where applicable. Though investment risk cannot be eliminated, the Trustee attempts to minimize risk through prudent diversification, rebalancing and ongoing monitoring of all investments.
10. **How does the Beneficiary access funds?**

The Beneficiary and Personal Needs Advisor make disbursement requests to the Trust Manager using the process and guidelines outlined on page six and seven. The Trust Manager and Trustee then review the request to determine the impact it may have on the Beneficiary's public benefits, the appropriate use of funds, and considers the beneficiary's current and anticipated ongoing needs. If approved, the request is processed by the Trustee.



11. **What types of items or services can money in the Trust purchase?**  
Distributions from a Life Navigators Trust are made with the Beneficiary's best interest in mind. The Trust can be utilized to provide an array of goods and services to enhance the quality of life for the sole benefit of the Beneficiary.
12. **How is the distribution of funds determined to ensure the best possible usage?**  
Serving as the Trust Manager, Life Navigators is responsible for staying current with laws concerning special needs trusts, disbursements and the relationship between a trust and public benefits. The Trust Manager will act as the liaison between the Trustee, Personal Needs Advisor and Beneficiary. This will ensure appropriate disbursements that meet the Beneficiary's needs and wants while protecting benefits.
13. **Why choose Life Navigators when setting up my Trust?**  
Life Navigators provides personalized and comprehensive services to meet each individual's specific needs. Our dedicated team offers in-person connection and assistance. Staff complete a comprehensive assessment with each Beneficiary, foster an ongoing relationship to ensure all needs are addressed, and actively assist Beneficiaries and families to get connected to benefits, long-term-care and other resources above and beyond the Trust Program.
14. **What if Life Navigators or the Trustee (Prairie Trust) goes out of business?**  
If Prairie Trust would no longer be in business, Life Navigators has authority to appoint a successor Trustee at any time. If Life Navigators is no longer in operation, the agency has a fiduciary responsibility to identify another nonprofit organization to assume control and administration of the Trust Program.
15. **Why name Life Navigators as a Remainder Beneficiary for a Trust I, II or III?**  
Should any money remain in the Trust after the Beneficiary's lifetime, you, as the donor, designate how this money is distributed. When you designate Life Navigators as a Remainder Beneficiary, you ensure that we can provide for the needs of individuals with disabilities for years to come. Life Navigators maintains a Remainder Fund account, which supports our programs and services for individuals with disabilities. This is funded by generous families and individuals who remember Life Navigators when designating the Remaindermen of their Trust accounts. Our services are made possible thanks to the generosity of our friends and supporters.
16. **What is the Life Navigators Retained Fund for Trusts II and III?**  
After the Beneficiary's lifetime, if the Trust is unable to make the full Medicaid Payback, the leftover funds are distributed to the Life Navigators Retained Fund, which directly impact individuals with disabilities. This Retained Fund account currently supports our Self Advocacy & Independence Program. Through this program, we offer free events such as game nights and healthy living presentations and provide emergency need items such as groceries and clothing to individuals with disabilities in crisis. Through this, Beneficiaries know they will have a lasting impact for safe, happy and healthy lives.



# Life Navigators Contact Information

## Available to Answer Your Questions

Are you interested in learning more about the Life Navigators Trust Program or other services offered by Life Navigators? Contact us at 414-774-6255 or [trust@lifenavigators.org](mailto:trust@lifenavigators.org). You can also visit [LifeNavigators.org](http://LifeNavigators.org) for additional information and a list of upcoming presentations.

### Trust Notes

Add Your Notes Below

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

