

## **FIRST PARTY (MARC) SPECIAL NEEDS POOLED TRUST | FEE SCHEDULE**

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### **ENROLLMENT FEE**

A one-time, non-refundable Enrollment Fee is payable to PLAN when an application form is submitted. It helps defray the actual costs of enrollment, such as legal and factual analysis of the individual's application; and preparation and submission of documents necessary for establishing a participant's account within the Trust (including the Instrument of Trust Assignment and the request for an IRS Tax Identification Number). There are two fee levels:

**The Basic Enrollment Fee of \$600** applies when a person can independently complete and sign a legal document (such as the Trust application) on his/her own behalf.

**The Fiduciary Enrollment Fee of \$750** applies for a person who is not able to complete and sign a legal document on his/her own behalf—and who requires the assistance of a Guardian, Conservator, Power of Attorney, or other fiduciary or agent.

### **SPECIAL CIRCUMSTANCE ENROLLMENT FEES**

Sometimes, an individual's circumstances require legal or administrative work in addition to what is involved in the standard application process. Fees for such work are charged *in addition to* the Enrollment Fees. These Special Circumstances could include (but are not limited to) when:

- Extended consultations are required between the individual's attorney and PLAN's attorney
- There are time-intensive or extended processes for liquidating and/or transferring the individual's assets for deposit in the Trust
- Documents must be prepared and submitted to state or federal courts or regulatory authorities

### **ANNUAL FEE**

The Annual Fee and other fees described below will be deducted from each trust account. At all times, sufficient funds must remain in the participant's account to cover fees.

The Annual Fee covers the costs of:

- Fiduciary and administrative services
- Service coordination by licensed social workers
- Professional investment management
- Disbursements and record keeping
- Annual Reports to each participant showing all activity in his/her account
- Ongoing monitoring of public policies, rules, and regulations affecting Special Needs Pooled Trusts

Each participant's annual fee is determined by applying the following scaled percentage to the assets in his/her trust account:

- 3% on the first \$500,000
- 2.25% on the next \$250,000
- 2% on the next \$250,000
- 1.75 % on the balance over \$1,000,000

As example, the annual fees for an account with a balance of \$50,000 would total approximately \$1,500—

- \$3,000 on an account with a balance of \$100,000
- \$7,500 on an account with a balance of \$250,000

In seeking to make our services more accessible, PLAN waived minimum fees in the third and fourth quarters of 2017. We will revisit this fee reduction initiative quarterly.

### **TAX PREPARATION FEE (ANNUAL)**

Each year, there is an additional \$210 fee for preparing and filing the Federal and State Fiduciary Income Tax Return and for producing a "Beneficiary Information Tax Letter" (also known as a Grantor Letter). This document is delivered to the tax participant and used for his/her personal income tax statement.

### **AGENCY REPORTING-OF-ACCOUNT FEE**

A person who receives public benefits (SSI or Medicaid) must report his/her enrollment in the MARC Trust to the appropriate public agency; and the trust participant should anticipate a cost for preparing and submitting this mandatory report. The participant may ask his/her legal counsel to handle this report, and pay the counsel's fee. Or the participant may ask PLAN to handle the report—in which case a fee will be billed to his/her account.

## LEGAL ACTION ASSESSMENTS

On rare occasions, PLAN may incur costs for defending claims against the Trust or for other legal actions involving the Trust; these may include attorney fees and other costs associated with the legal action. In those circumstances—and in PLAN’s sole discretion—special fees will be billed either to all Trust accounts on a *pro rata* basis or exclusively to the individual trust account(s) affected by the legal action.

## CLOSING COSTS AND CLOSING-RELATED TAX PREPARATION FEES

When a MARC trust participant dies or a participant’s account balance falls to an amount that is insufficient to cover costs and fees, PLAN will begin to close the trust account. The low balance benchmark is \$1,500, and it reflects the costs and fees that come due at the closing of a MARC trust account. These costs and expenses will be deducted from the participant’s account and include:

- Reasonable administrative fees of \$600 for closing investment account and transferring funds into an escrow account; completion and filing of documents; communications with representatives of deceased, with third party vendors who have outstanding claims, and with relevant Medicaid agencies; preparation of final accountings and accounting to a court (where appropriate); and other actions required in connection with account closing.
- The final tax preparation fee is currently \$348. Upon the death of a trust participant, PLAN must prepare and file a Final Fiduciary Return (also known as a Form 1041). This document informs the Federal and State governments of the participant’s death and the closing of the trust account.

All fees are subject to change by PLAN’s Board of Directors, with at least 60 days prior written notice to participants and/or their representatives.

This final tax preparation fee has remained the same for several years, and no longer covers the actual cost of tax statement preparation. Effective January 1, 2018, the fee will increase to \$348.