OVERVIEW OF SERVICES

Introduction

Planned Lifetime Assistance Network of Arizona (PLAN of Arizona) is a non-profit organization based in Phoenix, Arizona. PLAN provides planning, Supplemental Needs Trusts, trust management, benefit assistance and service coordination throughout Arizona to individuals with special needs. PLAN is committed to serving individuals with varying disabilities by helping to enhance quality of life and independence, protect public benefits and offer peace of mind to families.

PLAN of Arizona is an alternative and/or supplement to government sponsored programs and benefits, meeting the individuals' special needs in order to promote the highest quality of life with the greatest potential for self-empowered choice. By providing encouragement and assistance, PLAN of Arizona guides the individuals and the families in pursuing dreams and aspirations, knowing that a plan for the future is in place.

Our History…

PLAN of Arizona was incorporated in May 1994, as a non-profit 501(c)(3) corporation by a group of National Alliance on Mental Illness (NAMI) parents who were concerned about the well-being of their children with disabilities. All NAMI Arizona families share the same concern of having a son, daughter, or other loved one disabled by mental health issues or other disabilities. These parents knew the public mental health system could not offer the same type of support that families provide. They all asked, “Who will care when I am not there?” For a long time, the only answer was that no one would be there. This critical concern resulted in the creation of the Planned Lifetime Assistance Network (PLAN) of Arizona.

For more than 20 years, PLAN of Arizona has committed itself to meeting the needs of individuals with special needs. All of the volunteer board members and paid staff are friends or family members of individuals with varying disabilities or have extensive experience working with this population. Every member is passionate about the services PLAN of Arizona provides.

Through this Manual, you will learn how PLAN of Arizona, Inc., can work for you.

Please visit our website at www.planofaz.org for more information.

WHAT WE DO

PLAN of Arizona creates awareness of the importance of comprehensive planning for persons with disabilities. PLAN develops tools, programs, and resources designed to help secure the person's future. These resources include Supplemental Needs Trusts and related service coordination. Our support services are person/family centered and directed, and promote maximum independence of individuals with disabilities as they age and face changing needs.

PLAN of Arizona provides comprehensive service coordination through the work of experienced and dedicated staff members that become a beneficiary's primary contact. The Client Service Coordinators get to know each beneficiary, and work to ensure needs are properly met.

PLAN's professional trustee, First International Bank and Trust, manages the trust fund and is located in Phoenix, Arizona. The PLAN of Arizona Executive Director and Board of Directors review each beneficiary account annually to determine suitable budgeting and make adjustments when warranted. Sound judgment ensures that trust funds are available to sustain the beneficiaries' supplemental needs for as long as possible.

Service Coordination

PLAN of Arizona prides itself on the individualized service management provided by its Client Service Coordinators who serve as the primary point of contact for beneficiaries and their families.

PLAN of Arizona plays multiple roles, acting as surrogate parent, sounding board, and advocate to each of the beneficiaries and their families. PLAN's unique service coordination component provides an individual touch that many other programs do not offer. This truly sets PLAN apart from other organizations. By assisting beneficiaries in preserving public benefits while helping obtain items and services aimed at enhancing their lives, PLAN provides the peace of mind beneficiaries and families' desire.

Service Coordinators are there to help with as much or as little service coordination as is necessary. They make and receive multiple phone calls daily regarding status updates, referrals to various outside services or vendors, and recommendations for trust expenditures. In order to decide whether a given expenditure is appropriate, PLAN considers many factors, including the beneficiary's age, disability, needs, and trust fund balance. A Service Coordinator's main concern is to enhance the beneficiary's quality of life while protecting government benefit eligibility. Because of this, some purchases might be discouraged in favor of a less expensive or more appropriate alternative. The beneficiary's best interests are always at the forefront and guide the Service Coordinators when making these decisions.

Throughout the duration of the trust, the Service Coordinators maintain ongoing contact between the beneficiaries and their families, programs, and other key people. PLAN meets annually with families of individuals who have unfunded trusts to ensure that personal information on file is current. PLAN meets at least semi-annually with families with funded accounts or those contracting with PLAN on a pay-as-you-go basis. This ensures up-to-date information and helps safeguard the families and beneficiaries' satisfaction. For example, if it's found that a beneficiary is no longer able to do shopping on his or her own, the Service Coordinator finds services to meet the individual's needs and follows up to make certain services are being properly rendered.

Types of services available (for Trust clients or on a pay-as-you-go basis):

- Advocacy
- Bill Pay
- Benefit Analysis
- Companionship
- Transportation
- Daily Assistance
- Housing options
- Moving
- Personal Shopping
- Monitoring
- Scheduling Dr. Appointments

Trust Management

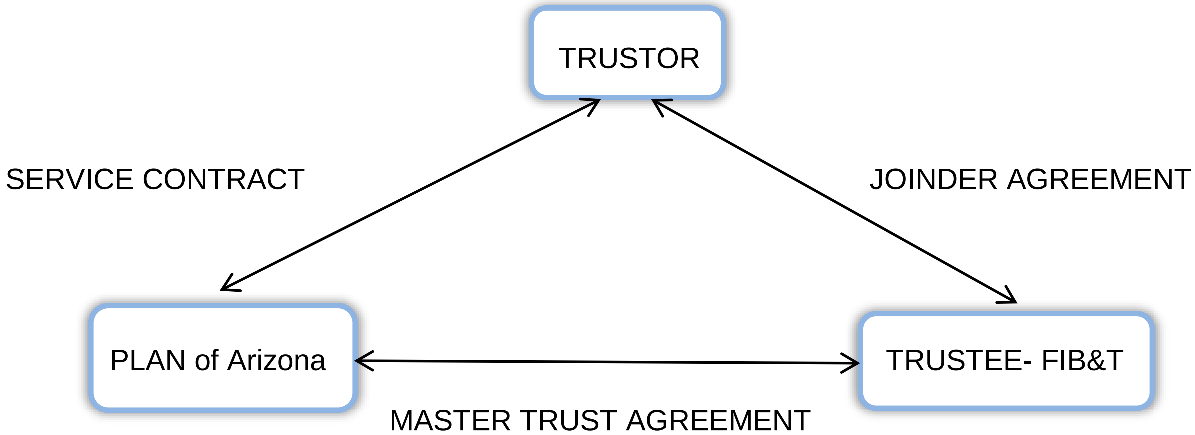
PLAN of Arizona, Inc., is run by an Executive Director supported by a volunteer Board of Directors and paid staff members.

PLAN of Arizona, Inc. will:

- Meet with family members
- Review Client History Questionnaire and provide a comprehensive Life Plan through the completion of the CONTRACT.
- Review will and/or estate plans (if none exist, we will provide the family with resources)
- Establish the Special Needs Trust (SNT) for the benefit of the client through our MASTER TRUST
- Open a SUB-ACCOUNT with First International Bank & Trust (FIB&T) by having the TRUSTOR sign the JOINDER AGREEMENT and fund the account with the minimum requirement of $5,000.00. This can also be funded upon the death of the TRUSTOR(S).

First International Bank & Trust (FIB&T) will:

- Act as TRUSTEE for each SUB-ACCOUNT
- Manage each SUB-ACCOUNT
- Manage an investment portfolio with direction from the TRUSTOR(S)
- Provide individualized accounting and reporting (including annual tax returns)
- Disburse funds for services
- Send quarterly reports to TRUSTOR(S)



Types of Trusts

To gain access to our services, there are several options to choose from:

1. **<u>"PAY-AS-YOU-GO"</u>**

   The family contracts with PLAN to provide services and pays an enrollment fee of $300.00. Depending on the services, PLAN may require a retainer of up to $5,000, which PLAN will bill against. Once the balance reaches $500, we will ask that it be funded again.

2. **<u>3rd Party Master Trust with Managed Funds (not pooled)</u>**

   The family joins the MASTER TRUST (not pooled) and funds the account with a minimum deposit of $5,000. This account will pay for services provided by PLAN on an as-needed basis. The assets of each SUB-TRUST account are managed by the TRUSTEE to produce dividend and/or interest income, or to provide growth of the principal. Disbursements are made to SERVICE CONTRACTORS who provide care and support for the PRIMARY BENEFICIARY. PLAN of Arizona, Inc., oversees the fiduciary actions of the TRUSTEE and develops the guidelines for disbursing funds to SERVICE CONTRACTORS for the benefit of the PRIMARY BENEFICIARY.

3. **3rd Party Master Trust – Not Funded (not pooled)**

   The family joins the MASTER TRUST (not pooled) and funds the account at a later date or upon their death through a Family Trust, Will or Life Insurance Policy (or other means).

   It is recommended that a bridge arrangement be established which will enable services to start immediately upon the death of the TRUSTOR. This is important because estates never settle immediately and bridging funds will be needed. For this reason, it is also extremely important that PLAN of Arizona, Inc., have an accurate Client History Questionnaire on file.

4. **Individual First Party Trusts (d)(4)(a)** Unlike third-party trusts, which are funded by assets owned by someone other than the beneficiary, a first-party trust is funded with the assets owned by the person with special needs (beneficiary). A first party SNT–also referred to as a "self-settled" or "(d)(4)(A)" Trust–may be established to protect current or future means-tested government benefits if an individual is about to receive a settlement, inheritance or other monies that will bring his countable assets to more than $2,000.

   Unless these funds are sheltered in a first party SNT or spent down by purchasing exempt resources, the beneficiary would lose his benefits and be required to pay medical bills and other expenses from the assets until those assets were under the $2,000 limit. If the trust is created properly, adhering to strict government rules, those assets can be used to benefit the person with special needs without jeopardizing eligibility for government benefits.

   Please contact PLAN for more information.

Fee Schedule

Please see the attached fee schedule.

Frequently Requested Disbursements

PLAN of Arizona routinely receives disbursement requests for the following items. This list offers ideas of items that may enhance the quality of life for the beneficiary. However, PLAN of Arizona, by law, has absolute discretion in approving requests for disbursements. This list is only a guide and should not be viewed as an entitlement, and items requested must be for the sole benefit of the beneficiary.

- Advocacy services
- Pre-Paid Burial Expenses of beneficiary
- Cable television
- Camp tuition
- Clothing for the Beneficiary
- Computer hardware and software
- Curtains, towels, linens, decorative items
- Education, tuition, books or transportation to same
- Entertainment and recreation tickets
- Equipment (electronic, entertainment, adaptive)
- Expenses related to owning and operating one car
- Eyeglasses
- Furniture and household items
- Gardening and lawn care
- Guardianship and advocacy services
- Home appliances
- Home renovations to improve accessibility
- Homeowner insurance premiums
- Independent evaluations
- Insurance premiums (health, dental, life, care and renter)
- Internet access
- Job coaching
- Legal fees
- Magazine subscriptions
- Medical equipment
- Medical, nursing and dental care, not covered by another source
- Medications
- Massage therapy
- Office supplies
- Personal assistance
- Pet care and supplies
- Private counseling and case management
- Private lessons and materials
- Stamps and writing supplies
- Supplemental dietary needs
- Telephone service
- Testing (vocational, medical, psychological, etc.)
- Travel expenses for a companion (if needed because of beneficiary's disability)
- Vacation expenses including transportation and hotel.

Disbursements Typically Not Permitted

When a trust beneficiary receives Supplemental Security Income (SSI), we must be careful when using the trust to pay for anything that the Social Security Administration defines as "food" or "shelter". When a third party, including a Special Needs Trust, pays a food or shelter expense for a person who receives SSI benefits, SSI will take a dollar-for-dollar reduction from the following month's SSI check, up to a regulatory cap of Presumed Maximum Value. This Presumed Maximum Value is one-third of the maximum federal benefit rate plus $20.00. It is a complicated law. When an SSI recipient receives money from a third party to pay for a shelter expense or food, he or she can expect to lose up to one-third of his or her SSI benefits for the following month. The following is a list of disbursements typically not permitted by the Social Security Administration.

SSI defines "shelter" expenses as the following:

- Food or groceries
- Rent or mortgage payments
- Property taxes *
- Heating fuel (gas, oil)
- Electricity
- Water
- Sewer
- Garbage collections service

The following list of items are strictly prohibited (client could loses SSI):

- Cash given directly to the beneficiary for any purpose
- Gifts
- Alcohol
- Firearms
- Fireworks
- Pawn Shops
- Casino's/Gambling

*Note: In certain emergency situations, payment of property taxes or other annual shelter costs may be requested. PLAN of Arizona reviews each request considering individual situations and impact on preservation of benefits

Additional Disbursements Allowed For SSDI

If the beneficiary receives Social Security Disability payments (SSDI), rather than Supplemental Security Income (SSI), the trust can also pay for:

- Property Taxes
- Home/Rental Insurance
- Utilities (gas, water, electric)
- Rent/Mortgage Payments

Frequently Asked Questions

Q. Is the $1,500 Enrollment Fee refundable?

The enrollment fee is ***not*** refundable.

Q. Suppose I establish a trust with PLAN of Arizona, Inc., and change my mind. Do I get my money back?

If you make your TRUST revocable, you can get your money back under the guidelines of the JOINDER AGREEMENT and CONTRACT. A revocable TRUST becomes irrevocable at the time of the TRUSTOR(S) death, and is then not refundable according to the MASTER TRUST, JOINDER AGREEMENT, and CONTRACT.

Q. How long does the PAY-AS-YOU-GO contract last?

If you elect to use our PAY-AS-YOU-GO services, your CONTRACT runs for a period of at least three (3) months and is automatically renewed. However, such CONTRACT may be cancelled by giving at least thirty (30) days written notice prior to the end of any three-month interval.

Q. What happens to the TRUST BALANCE when the PRIMARY BENEFICIARY passes away?

All assets then existing in the TRUST, minus expenses, are distributed to the REMAINDERMAN as stated in the JOINDER AGREEMENT.

If PLAN of Arizona, Inc., has provided services for more than one year, and depending on what has been set forth in the CONTRACT, an amount (currently 10%) may be distributed outright to PLAN as a gift.

Q. Why should PLAN of Arizona, Inc., get a percentage of the residual when the PRIMARY BENEFICIARY passes away?

These funds are placed in the endowment fund, and income from this fund is used to sustain PLAN. As this fund grows, a portion of it will be used to offer assistance to PRIMARY BENEFICIARIES whose TRUST funds have run out.

Q. How does this program relate to the Living Trust I already have?

If your Living Trust does not have provisions for setting up a SPECIAL NEEDS TRUST, you need to make such provisions. In preparing the provisions for the SNT, you can either:

1. Set up a TRUST with PLAN of Arizona.
2. Appoint your own TRUSTEE for the SNT and have that TRUSTEE contract for services with PLAN of Arizona, Inc., on a PAY-AS-YOU-GO basis.

Q. What if I have other family members who have agreed to care for my loved one?

You may, if you wish, appoint a family member as the TRUSTEE. Your appointed TRUSTEE can then use PLAN's PAY-AS-YOU-GO services. However, PLAN is designed to help alleviate the accountability and stress on other family members who may feel guilty about speaking the truth about their hesitations in taking on such a huge responsibility that may exist for years. Therefore, PLAN of Arizona, Inc. encourages families to use its benefits and services as a good backup or alternative.

Q. Does the family have any say-so if a TRUST is created with PLAN?

If the family wants to, it can play a significant role. Family input is used to prepare and revise service plans. Any assistance the family can offer in enhancing the lifestyle or the care of their relative is welcomed. PLAN of Arizona, Inc., can be contacted if serious concerns arise.

Note: The TRUSTOR can name an advisory contact person with whom PLAN will consult for major changes in the services for the PRIMARY BENEFICIARY if the TRUSTOR(S) are no longer available, due to incompetency or death. However, PLAN has the final power in making decisions.

Q. Why should I start services now since I only need them when I become incompetent or pass away?

There are three primary reasons for starting services now:

1. Establishing a relationship between PLAN of AZ and your loved one may take some time. It is a smoother transition and easier on the PRIMARY BENEFICIARY if this occurs while you are still living.
2. The TRUST becomes irrevocable upon your death to safeguard anyone from stopping services. Having time to work out any issues prior to this makes it easier for the PRIMARY BENEFICIARY.
3. You may want to be relieved of the responsibility and difficulty associated with managing the affairs of your PRIMARY BENEFICIARY, reduce the stress and pressure on your own lifestyle, and provide more opportunity to enjoy your "golden years."

Q. Who pays the attorney's fees to join PLAN's TRUST Plan?

Families pay their own attorney's fees to include PLAN of AZ in their Will or Family Trust. PLAN does not provide legal counsel, but does provide necessary legal documents, an assessment of needs, and resources and advice on how to select a service plan. All families are advised to seek legal counsel before joining the MASTER TRUST.

Q. Is there a connection between public benefits and income?

Many individuals with disabilities receive Supplemental Security Income (SSI), which is a monthly monetary allowance that usually makes the person eligible for Medicaid (AHCCCS in Arizona). Medicaid pays the cost of health services for people with disabilities. Adults who do not have more than $2,000.00 (2013) in cash or assets that can be converted to cash, are eligible for SSI if they have a disability that prevents them from working and earning a living. Children (minors) are eligible for SSI if they have “marked and severe functional limitations” from a physical or mental condition. These benefits are often referred to as “means-tested” or “needs-based” because the person’s means (assets) are part of the eligibility criteria to qualify for benefits.

Q. What services are not provided by public benefit programs?

Usually people who receive SSI have little funds available that barely provide for basic living expenses. The person can only have a small amount of money, which could be as little as $30.00 a month for a “personal care allowance” to pay for many services and items which public funds do not cover. Uncovered costs may include health insurance premiums, eye and dental care, entertainment, vacations, and other items and services that would enhance the individual’s quality of life. The personal care allowance is so small that families often use their own money to pay for extra items and services that their loved one needs.

Q. How can I ensure my loved one’s financial security and not jeopardize his/her benefits?

Often, parents or others leave their disabled loved one with an inheritance. If the CONSUMER receives SSI and/or Medicaid (AHCCCS) and has access to more than $2,000.00 in assets, he or she would lose eligibility for SSI and Medicaid. They would have to “spend down” that amount to below $2,000.00 before reapplying for these benefits. If your loved one is receiving “means-tested” public services, the inheritance would be considered as asset and he or she would incur “cost-of-care” charges. Publicly funded residential costs, for example, can amount to several thousand dollars per month. Having to pay even some of these costs can quickly deplete funds that were intended to “supplement” the low personal care allowance. In this situation, the inheritance or gift will not have the intended benefit if the result is a loss of benefits.

Some parents don’t leave an inheritance to their child with a disability. Instead, a sibling or other family member receives an additional share of the inheritance to use for the benefit that person. This is sometimes referred to as a “morally obligated” gift or “informal trust.” Unfortunately, the assets intended to benefit the person with a disability may not be spent on this person. If the non-disabled sibling divorces, has creditor problems, or passes away prematurely, for example, the extra funds may be disbursed during the divorce, to the creditors, or to the surviving spouse and/or children of the family member.

In addition, there are other drawbacks to these types of arrangement. The TRUSTEE must be knowledgeable about the benefits a person is receiving and how to report correctly on the distributions. The TRUSTEE has total power over all distributions and may hold back all or some of the TRUST's distributions.

There are ways that you can help ensure financial security without risking SSI and related benefits. A good way of providing for the financial security of someone with a disability without jeopardizing government benefits is by using a SPECIAL NEEDS TRUST (SNT). A SNT can hold money or property that the TRUSTOR leaves for the individual's benefit. Unlike an outright gift or inheritance via a will, a properly drawn up SNT is not considered as an asset or income for the person with a disability, and contains carefully written instructions on when and how to use the TRUST assets.

A family member or others can set up a SNT while still living, as part of a will, or through life insurance policies.

Q. What kind of TRUST is used for this type of planning?

A Third Party SPECIAL NEEDS TRUST (SNT) commonly used in this type of planning. Experts recommend this type of TRUST when families want to protect government benefits that their loved one needs. A Third Party SNT is designed so the principal, (the amount placed into the TRUST account) and its earnings supplement the CONSUMER's care and do not replace public benefits. This kind of TRUST is beneficial for the SSI and Medicaid (AHCCCS in Arizona) recipient whose assets cannot go above a specific level. The TRUST would provide funds for certain items, services, or other expenses not covered by SSI and Medicaid.

A Third Party SNT can also be set up for someone who is not currently on SSI, Medicaid, or other public benefit programs, but may need these entitlement programs in the future.

Q. How do I set up a Third Party SNT?

There are two ways to set up a legal TRUST. It can be set up by a Last Will and Testament (Testamentary) or while still alive (Inter Vivos).

Testamentary means that the TRUST is set up while the TRUSTOR is still living, but is not funded until he or she passes away. The TRUST's provisions can change at any time that the will is changed. Therefore, is the intended beneficiary should pass away first, the will and TRUST can change. This kind of TRUST does not require the person to file or pay income tax on it since there are no funds in it until after the TRUSTOR passes away.

Inter Vivos, or Living Trust, means that the TRUSTOR sets up the TRUST. In doing so, the parents and others can make regular gifts to the TRUST or have the funding come after death, if preferred. Grandparents can make Testamentary bequests from their Will to the TRUST that is set up for their grandchild with a disability. Living Trusts are either revocable or irrevocable. A revocable TRUST means that the TRUSTOR can modify the TRUST or dissolve it before passing away. An irrevocable TRUST means that the TRUSTOR can establish the TRUST and give up most power to change or dissolve it. Both ways of setting up a TRUST have different tax advantages and disadvantages according to the size of the estate, family situation, and many other factors. However, it is important to consult with an estate planning attorney about which kind of TRUST best suits your particular financial and tax situation.

Q. Which laws affect TRUSTS?

The Third Party SNT is a general term for a SPECIAL NEEDS TRUST that a parent or others (Third Party) establish “for the benefit of” the person with a disability. Third Party SNTs are based on applicable state laws, both statutory and common law. Third Party SNTs are set up by parents or others and do not require that the state be reimbursed. Should the beneficiary pass away, the TRUST BALANCE can go to other heirs and/or non-profit organizations such as PLAN of Arizona, Inc.

Q. Why is good management of the TRUST important after it becomes active?

Government agencies often have complex and strict regulations and reporting requirements to monitor the “needs based” eligibility of people with disabilities who receive their services and have TRUST funds. They want to know when the person with disabilities receives a TRUST disbursement, how the disbursement was made, along with what was purchased. The disbursements must often be reported and explained according to each agency’s regulations. It must also be explained why neither income nor a countable asset was created. Agencies may also change their regulations from time to time, so keeping current on their rules is equally important. Additionally, reporting can be complicated further when the TRUST beneficiary is receiving a mix of services that may have different regulations.

Ensuring that the TRUST disbursements do as they are intended, to improve the individuals’ quality of life while not interfering with eligibility for “needs based” benefits, is an extremely responsible role. If families have no one to count on to keep up with current regulations and making the required reports, the TRUST will not fulfill the needs of the family or the CONSUMER. A family member, no matter how well-intentioned he or she may be, may not have the time, inclination, knowledge, or energy to fulfill this important role.

PLAN of Arizona is responsible for this role. The staff at PLAN provides these services to people with disabilities as they are knowledgeable about the regulations and reporting requirements. The staff at PLAN is responsible for handling disbursements and ensuring that reports are completed in a timely manner. The staff can also intervene, if necessary, when an agency questions a disbursement or report which can happen from time to time.

Q. What are the usual steps in establishing an account with PLAN of Arizona, Inc.?

Usually the TRUSTOR will complete and sign a Client History Questionnaire, JOINDER AGREEMENT, and CONTRACT. A JOINDER AGREEMENT is a legal document that enrolls you into the TRUST program. These three documents give PLAN the information necessary to provide benefits and services to your loved one. This information also informs PLAN of how and when you intend to fund the TRUST, how you want the assets to be handled when it becomes active, and other information. Once enrolled, PLAN maintains your file and will periodically contact you for necessary updates.

Before signing the Client History Questionnaire, JOINDER AGREEMENT, and CONTRACT, the staff at PLAN will carefully explain the process, including fees and other important information that you need to consider. Then you can discuss the Plan with your attorney and/or financial planner to decide how you want to fund the TRUST and to help you prepare the necessary documentation. There may also be tax issues to discuss with your attorney before establishing a SNT. The TRUST fund will be subject to state and federal income tax regulations. The TRUST fund is not designed to generate a tax benefit.

Q. Can I specify exactly how I want the TRUST to be used?

The staff at PLAN of Arizona, Inc., will seek input and advice from the family, and whenever possible, from the CONSUMER, regarding how the TRUST funds will be used. However, the TRUST is designed to protect SSI, Medicaid (AHCCCS in Arizona), and other “needs based” programs. Therefore, it must be left to the TRUSTEE’s discretion as to how the disbursements are made for the benefit of the CONSUMER, including how much is paid and for which items and services. Public services may currently approve TRUST disbursements for certain items and services, but there is no guarantee that this will not change in the future after you are no longer around. Changes in the law, new restrictions, and other unforeseen events make it necessary for the TRUSTEE to be able to modify the amount of or reason for disbursements to help ensure the TRUST continues to serve its intended purpose.

Q. How do I fund the TRUST account?

Third Party SNT accounts can be funded through a will or TRUST, from life insurance, from savings accounts, or other ways.

For families, setting up a TRUST will not have any significant impact on estate or death taxes. However, you should consult with your attorney on these issues, including any other tax issues that may arise to make sure that the TRUST is consistent with the rest of your estate planning documents and the titling of your assets.

Q. What amount of money should I place in the TRUST?

Each person with a disability will have different needs that may affect how the TRUST is set up and with what amount. The CONSUMER's age, services being received (or will someday receive), and other variables can affect these decisions. Some of the variables to consider are the average life expectancies and how different TRUST amounts would be spent over time. This would be based on the amount placed in the TRUST, average earnings, plus disbursements and fees over the CONSUMER's lifetime. Also, consideration should be given to projected funeral and burial expenses for the CONSUMER. Families may want to seek the advice of an attorney or financial planner to answer these questions further.

Q. What can a Third Party SNT pay for?

When the CONSUMER is receiving publicly funded services, a TRUST normally cannot pay for food and shelter. TRUSTs are set up to provide services and items that do not jeopardize "needs based" benefits. Funds cannot be paid directly to the CONSUMER, and are to be paid to a vendor. Broad categories of expenditures include health care needs not covered by Medicaid, education, recreation, and material needs that provide comfort. For example, disbursements can be made for eyeglasses, hearing aids, wheel chairs, movie tickets, moving expenses, computers, vacations (with a companion if necessary), and more.

DEFINITIONS

1. <u>ADVISORY CONTACT PERSON</u>: A person whose name and address is furnished to the TRUSTEE by PLAN of Arizona, who is to receive copies of the financial reports rendered as to a PRIMARY BENEFICIARY'S Trust if there is no living TRUSTOR or Conservator or Guardian of the PRIMARY BENEFICIARY.

2. <u>CLIENT</u>: The PRIMARY BENEFICIARY

3. <u>CONTRACT:</u> A legal agreement between the TRUSTOR and PLAN of Arizona, which defines what the TRUSTOR wants PLAN of Arizona, Inc., to do for the PRIMARY BENEFICIARY.

4. <u>COMPANION:</u> A caring and supportive person who helps improve the lifestyle of the PRIMARY BENEFICIARY. COMPANIONS can be an employee of PLAN of Arizona's or a reputable, established community-based agency that currently provides services to adults with a disability. Or a qualified PROXY PARENT or professional case manager with whom PLAN of Arizona, Inc., contracts to provide PROXY PARENT SERVICES to the PRIMARY BENEFICIARY.

5. <u>GOVERNMENT BENEFITS:</u> Benefits that the PRIMARY BENEFICIARY receives or is eligible to receive from any public source such as Supplemental Security Income (SSI), Medicaid, Medicare, or Food Stamps.

6. <u>JOINDER AGREEMENT:</u> An agreement entered into between the TRUSTEE and the TRUSTOR to form the SPECIAL NEEDS TRUST, which is a SUB-ACCOUNT under the MASTER TRUST.

7. <u>MASTER TRUST:</u> Defines the relationship and TRUST arrangement between the TRUSTEE and PLAN of Arizona, Inc.

8. <u>PAY-AS-YOU-GO:</u> A plan for paying for services as needed. You do not need to have a trust with PLAN of Arizona to use this service.

9. <u>PRIMARY BENEFICIARY:</u> A person who is named to benefit from the trust, but has no legal or equitable interest in the trust.

10. <u>PROXY PARENT:</u> A caring and supportive person who, like a parent, coordinates the best care possible and helps improve the lifestyle of the PRIMARY BENEFICIARY.

11. <u>REMAINDERMAN:</u> The persons(s) or entities to whom the TRUSTEE is instructed to distribute the remaining balance of the trust estate of a PRIMARY BENEFICIARY trust upon the death of the PRIMARY BENEFICIARY or upon instructions of PLAN of Arizona when PLAN of Arizona represents to TRUSTEE that its instructions are authorized under the terms of the JOINDER AGREEMENT and/or the CONTRACT.

12. <u>SPECIAL NEEDS TRUST</u>: A legal arrangement to provide supplemental financial support to a person with a disability over and above those provided by GOVERNMENT BENEFITS.

13. <u>SUB-ACCOUNT:</u> An account within the MASTER TRUST maintained separately by the TRUSTEE for each PRIMARY BENEFICIARY and which corresponds to the SPECIAL NEEDS TRUST created for the PRIMARY BENEFICIARY.

14. <u>SETTLOR</u>: Refers to PLAN of Arizona.

15. <u>SERVICE CONTRACTOR</u>: An agency or PROXY PARENT with whom PLAN of Arizona has delegated powers with respect to a PRIMARY BENEFICIARY.

16. <u>TRUST BALANCE:</u> The total of principal and income in each SUB-ACCOUNT.

17. <u>TRUSTEE:</u> FIRST INTERNATIONAL BANK & TRUST is a national bank having TRUSTEE powers and is duly authorized by the State of Arizona to provide trust services. Its primary duties shall be to receive funds, invest and reinvest them, render regular reports as to the status of all trusts and to make disbursements as requested by PLAN of Arizona.

18. <u>TRUSTOR</u>: Any individual who actually contributes his or her own funds to a trust established for PRIMARY BENEFICIARIES pursuant to a fully executed JOINDER AGREEMENT, which trust is referred to as THE PRIMARY BENEFICIARY TRUST**.**