

## **PLEASE READ BEFORE COMPLETING THE JOINDER AGREEMENT**

The following is information to consider when completing a Trust IV Joinder Agreement for trust sub-accounts funded with the Beneficiary's own money such as lawsuit settlements, inheritances, SSI back payments, etc.

In many cases, the grantor's birth date and social security number are not required to complete this form. If the grantor is a legal guardian or judge, simply say "not applicable" in those two spaces on Page 1, Section C.

The "Primary Representative" is the person that will request disbursements from the trust account for the benefit of the beneficiary and will receive correspondence and financial reports. Oftentimes the Primary Representative is a guardian, parent or other family member. If the Primary Representative is someone other than the grantor, please make note to Arc staff clarifying who the primary representative is and put the primary representative's identifying information in Section F, on Page 2. We ask for a second alternate to the primary representative, if there is one, (Page 3 Section F) so that Arc staff will have someone to contact concerning the needs of the beneficiary in the absence of the primary representative.

Concerning Section K-2, distribution of remainder upon death of beneficiary: The Arc needs to be very clear who the grantor wishes remainder money to go to after satisfying the State's claim for Medicaid reimbursement. If "heirs at law" is used in this space, please include an attachment or cover letter concerning to whom we may be able to contact to locate heirs to distribute remainder money. As a last resort, if we do not have someone to contact, we will pay remaining funds to the State Comptroller and they will list the remainder as unclaimed funds.

On the last page of the Joinder Agreement IV is the checklist for self-funded sub-accounts. This checklist is an assurance to The Arc that the primary representative is aware of those items on the checklist. The Arc strongly recommends that an attorney be consulted who is familiar with trust and benefits issues before checking the checklist and signing at the bottom. Some individuals choose not to review those items with an attorney. If this is the case, please make note that you are waiving that right and then sign & date the checklist.

**Check writing instructions:** Please make the check funding the trust account payable to "JPMorgan Chase Bank, for the benefit of (or f.b.o.) [beneficiary's name]," and make the check for the \$450 enrollment fee payable to "The Arc of Texas," Send the checks and the completed Joinder Agreement, to: "Master Pooled Trust Staff, 8001 Centre Park Drive, Suite 100, Austin, Texas 78754."

Do not hesitate to call Chris Oglesby, or Rona Statman at 512-454-6694 or 1-800-252-9729 if you continue to have questions while completing the Joinder Agreement. Thank you for your interest in the Master Pooled Trust.

JOINDER AGREEMENT IV  
*for*  
The Arc of Texas Master Pooled Trust

**This is a legal document. You are encouraged to seek independent, professional advice before signing.**

A. The undersigned hereby enrolls in and adopts The Arc of Texas Master Pooled Trust Agreement dated December 2 , 2000, which is incorporated herein by reference.

B. Trust sub-account number: \_\_\_\_\_  
*(acct. # will be assigned by The Arc of Texas, upon enrollment)*

C. Grantor:

1. Name: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. Social Security Number: \_\_\_\_\_

4. Telephone: Home: \_\_\_\_\_ Work: \_\_\_\_\_

5. Birthdate: \_\_\_\_\_

6. Relationship to Beneficiary: \_\_\_\_\_

D. Beneficiary:

1. Name: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. Social Security Number: \_\_\_\_\_

4. Telephone: Home: \_\_\_\_\_ Work: \_\_\_\_\_

Email: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

5. Birthdate: \_\_\_\_\_

*(Items D: 6-8 are optional; However, this family history information can be useful to The Arc in locating family members in the future.)*

6. Place of birth: Hospital/ City/State : \_\_\_\_\_

7. Mother's name: \_\_\_\_\_ SSN: \_\_\_\_\_

8. Father's name: \_\_\_\_\_ SSN: \_\_\_\_\_

**E. Guardians/Representatives:**

Unless the Grantor requests otherwise and until the Grantor is no longer able to serve as such, the Grantor shall be the Beneficiary's Primary Representative.

When the Grantor is no longer able to act as the Beneficiary's Primary Representative, the Guardian or legal representative listed below in Sec. E-1 shall be the Primary Representative (with a court-appointed Guardian, if any, taking precedence).

1. Beneficiary's legal representative [e.g., legal guardian, conservator, representative payee, agent acting under a durable power of attorney, trustee, or other legal representative or fiduciary]:

a. Name: \_\_\_\_\_

b. Address: \_\_\_\_\_

c. Telephone: Home: \_\_\_\_\_ Work: \_\_\_\_\_

Email: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

d. Relationship: \_\_\_\_\_

**2. The Primary Representative will be: \_\_\_\_\_**

F. Alternates: If the person listed in Section E-2 ceases to serve, please list below, in order, the persons that you would like to be successor Primary Representatives:

First Alternate:

1. Name: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. Telephone: Home: \_\_\_\_\_ Work: \_\_\_\_\_

4. Relationship: \_\_\_\_\_

Second Alternate:

1. Name: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. Telephone: Home: \_\_\_\_\_ Work: \_\_\_\_\_
4. Relationship: \_\_\_\_\_

No Alternates Remaining:

If none of the named Primary Representatives or successors are able to serve, how would you like for the Manager to select another Primary Representative?

\_\_\_\_\_

\_\_\_\_\_

G. Current Benefits:

1. Does Beneficiary receive Supplemental Security Income? (SSI) \_\_\_\_\_  
If so, how much per month? \_\_\_\_\_
2. Does Beneficiary receive Social Security benefits? \_\_\_\_\_  
If so, how much per month? \_\_\_\_\_
3. Does Beneficiary receive Social Security Disability Insurance? (SSDI) \_\_\_\_\_  
If so, how much per month? \_\_\_\_\_
4. Does Beneficiary receive Medicaid? \_\_\_\_\_  
If so what is the Medicaid card number? \_\_\_\_\_

5. List all other forms of government assistance that the Beneficiary receives:  
(i.e. Medicare, Veterans benefits, MHMR Services, Community Based Alternatives,  
housing subsidies, food stamps, etc.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

H. If the Beneficiary is covered under any policy of health insurance, what is the insurer's name and address, and what is the policy number?

1. Insurer: \_\_\_\_\_

2. Address: \_\_\_\_\_

\_\_\_\_\_

3. Policy Number: \_\_\_\_\_

I. If the Beneficiary is covered under any prepaid funeral or burial insurance plan, what is the insurer's name and address, and what is the policy number?

1. Insurer: \_\_\_\_\_

2. Address: \_\_\_\_\_

\_\_\_\_\_

3. Policy Number: \_\_\_\_\_

J. Disability

1. What is the nature of the Beneficiary's disability?

\_\_\_\_\_

2. If the Beneficiary's condition has been medically diagnosed, what is the diagnosis?

\_\_\_\_\_

\_\_\_\_\_

3. What is the prognosis at this time?

\_\_\_\_\_

K. Distributions of the Remainder upon the Beneficiary's death (or upon early termination of the trust):

*If this Pooled Trust sub-account is funded with the Beneficiary's own money, federal law requires that all unspent amounts in the Beneficiary's sub-account at the Beneficiary's death must be used to reimburse the State for medical services received ("State Reimbursement Claims"), unless amounts are retained by the Trust in the Trust's sub-account (the "Trust's Remainder Share").*

If there are funds remaining in the Beneficiary's sub-account after the Trust's remainder share has been satisfied and the State claims have been satisfied, such amounts are available to be distributed to other beneficiaries of the Grantor's choosing ("Final Remainder Beneficiaries"). The Grantor is required to designate Final Remainder Beneficiaries.

1. Source of Beneficiary's Funds – describe source:

\_\_\_\_\_

2. Distribution of Remainder upon death of Beneficiary:

a. Trust's Remainder Share: Please note what percentage of the Beneficiary's sub-account Remainder you elect to be retained by the Trust\* prior to being used to satisfy State Reimbursement Claims if any: \_\_\_\_\_

The Trust's Remainder Share will be used in the Trustee's discretion as follows: *"(a) for the benefit of other indigent Beneficiaries, (b) to add indigent disabled persons, as defined in 42 U.S.C. § 1382c(a)(3), to the Trust as Beneficiaries, or (c) to provide indigent disabled persons, as defined in 42 U.S.C. § 1382c(a)(3), with equipment, medication or services deemed suitable for such persons by the Trustee."*

b. If funds remain after distributions to the Trust's Remainder Share and to the State of Texas or other state(s) for State Reimbursement Claims, if any, list below the persons or entities that you would like to receive the funds: *(Include name, address, and telephone numbers of each Final Remainder Beneficiary.)*

(i) Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

Current Age: \_\_\_\_\_ Percentage of Final Remainder (must total 100%) \_\_\_\_\_

(ii) Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

Current Age: \_\_\_\_\_ Percentage of Final Remainder (must total 100%) \_\_\_\_\_

(iii) Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

Current Age: \_\_\_\_\_ Percentage of Final Remainder (must total 100%) \_\_\_\_\_

**\*TOTAL OF PERCENTAGES:** \_\_\_\_\_

c. If any Final Remainder Beneficiary is deceased at the time of distribution, the funds that would have been distributed to that beneficiary will instead be distributed to his or her descendants, per stirpes. If a Final Remainder Beneficiary does not have descendants, then his or her share shall lapse.

3. Early Termination of the sub-account. Article 12 of the Trust provides that under certain circumstances a sub-account (or the Trust) may be terminated prior to the Beneficiary's death. If the Beneficiary's sub-account is terminated before his or her death, the Manager will either distribute the sub-account's funds to the Beneficiary or on behalf of the Beneficiary unless the Manager is in its sole discretion deems such distribution to not be in the Beneficiary's best interests. If the manager deems such distribution not to be in the Beneficiary's best interest, how should the funds be distributed upon early termination of the Beneficiary's sub-account?

\_\_\_\_\_ To the Grantor

\_\_\_\_\_ To the Grantor's estate

\_\_\_\_\_ To the Final Remainder Beneficiaries listed in K2 above

4. Locating Final Remainder Beneficiaries. Grantor acknowledges that The Arc may incur additional costs if Final Remainder Beneficiaries or the beneficiaries of Grantor's estate cannot be located easily. Grantor acknowledges and agrees that the manager may recover its reasonable costs and expenses associated with locating such beneficiaries.

L. Fees.

Grantor agrees to pay the fees in accordance with Schedule A that is attached hereto and that may be amended from time to time. If fees are not paid in advance by Grantor, the Manager and Trustee are authorized to charge such fees to a Beneficiary's sub-account.

**Fees are not refundable.**

M. Management of Trust Sub-account/Disbursements.

1. The Trust sub-account will be managed and administered for the benefit of the Beneficiary.

2. Discretionary Trust: Health, Education, Maintenance, and Other Needs. The Trustee shall make disbursements from a Beneficiary's Sub-Account in such amounts, from zero to the entire Sub-Account, as shall be directed by the Manager within the Manager's sole discretion for health, education, maintenance, and other needs of a Beneficiary, or may refuse to make disbursements, as directed by the Manager in the Manager's sole discretion. *The Manager is under no obligation to direct any expenditures of income or principal for the Beneficiary.*

3. Disbursements. The Trustee, at the Manager's direction or in the absence of such direction in its sole discretion, may make any payments or disbursements under the Trust as follows: (a) directly to a Beneficiary's Primary Representative or to the Beneficiary (recognizing that when such a payment is made, it can be used by the Beneficiary or the Beneficiary's personal representative for any reason whatsoever, including for food, clothing, and shelter, and thus could be treated as income to the Beneficiary), (b) in any form allowed by law, (c) to any person deemed suitable by Trustee, or (d) by direct payment of a Beneficiary's expenses.

**N. Contact Information Regarding the Sub-Account Disbursements and Other Matters:**

Contact information for The Arc of Texas Master Pooled Trust and the Manager are included on **Schedule B**, and may be amended from time to time.

**O. Miscellaneous:**

1. The provisions of this Joinder Agreement may be amended as the Grantor and the Manager may jointly agree, so long as any such amendment is consistent with The Arc of Texas Master Pooled Trust Agreement and the then-applicable law. Provided, however, that after a sub-account is funded the Grantor may not revoke a transfer nor amend items D or K(2) of this Joinder Agreement.

2. Taxes:

a. The Grantor acknowledges that the Manager has made no representation to the Grantor that contributions to the Trust are deductible as charitable gifts, or otherwise.

b. Grantor acknowledges that Manager has made no representations as to the gift or tax consequences of directing funds to the Trust and has recommended that the Grantor seek independent legal advice.

c. Trust sub-account income, whether paid in cash or distributed in other property, may be taxable to the Beneficiary subject to applicable exemptions and deductions. Professional tax advice is recommended.

d. Trust sub-account income may be taxable to the Trust, and when this is the case, such taxes shall be payable from the applicable Trust sub-accounts.

3. The Trust managed by the Manager is a pooled trust, governed by the laws of Texas, in conformity with the provisions of 42 U.S.C. § 1396p, amended August 10, 1993, by the Omnibus Budget Reconciliation Act of 1993. To the extent there is conflict between the terms of this Trust and the governing law, the law and regulations shall control.

**P. ACKNOWLEDGEMENT BY GRANTOR**

**Each Grantor acknowledges that he or she has been advised to have The Arc of Texas Master Pooled Trust Agreement and this Joinder Agreement reviewed by his or her own attorney prior to the execution of this Joinder Agreement.**

**Each Grantor acknowledges that the Trustee is a financial institution and is not licensed or skilled in the field of social services. Grantors acknowledge and agree that the Trustee may conclusively rely upon the Manager to the Trustee to identify programs that may be of social, financial, developmental or other assistance to Beneficiaries. The Trustee, its agents and employees, as well as their agents' and employees' heirs and legal personal representatives, shall not in any event be liable to any Grantor or Beneficiary or any other party for its acts as Trustee so long as the Trustee acts reasonably and in good faith.**

**Each Grantor recognizes and acknowledges the uncertainty and changing nature of the guidelines, laws, and regulations pertaining to governmental benefits and each Grantor agrees that the Manager will not in any event be liable for any loss of benefits as long as the Manager acts in good faith.**

**Each Grantor acknowledges and agrees that the Manager, its agents and employees, as well as their agent's and employees' heirs and legal and personal representatives, shall not in any event be liable to any Grantor or Beneficiary or any other party for its acts as Manager so long as the Manager acts reasonably and in good faith.**

**Each Grantor acknowledges that upon execution of the Joinder Agreement by Grantor and the Manager, and the funding of a sub-account for a Beneficiary, that this Trust, as to the Grantor and the Beneficiary, is irrevocable. Each Grantor acknowledges that after the funding of a sub-account, the Grantor shall have no further interest in and does thereby relinquish and release all rights in, control over, and all incidents of interest of any kind or nature in and to the contributed assets and all income thereon.**

**Each Grantor represents, warrants and agrees that he or she has not been provided, nor is her or she relying upon, any representation of or any legal advice by The Arc of Texas, Inc. in deciding to execute this Joinder Agreement.**

**Each Grantor further represents, warrants, and agrees:**

- 1. that he or she is entering into this Joinder Agreement voluntarily, as his or her own free act and deed;**
- 2. that if he or she has not had The Arc of Texas Master Pooled Trust Agreement or the Joinder Agreement reviewed by his or her own attorney, that he or she voluntarily waives and relinquishes such right;**

**3. that he or she has been provided a true and correct copy of The Arc of Texas Master Pooled Trust Agreement and this Joinder Agreement prior to the signing of this Joinder Agreement;**

**4. that he or she has reviewed and understands to his or her full satisfaction the legal, economic and tax effects of these instruments; and**

**5. that the Arc of Texas, Inc. or its designee may be a Remainder Beneficiary of a portion of the sub-account established hereby upon the death of the Beneficiary as provided in Section K(2)(b) of this Joinder Agreement.**

**Q. FEDERAL TAXES; INDEMNIFICATION BY GRANTOR**

Each Grantor acknowledges that a trust sub-account may be treated as a grantor trust for federal income tax purposes as provided under IRC §671 et. Seq. and the treasury income tax regulations thereunder. In such event, all allocable income, gains or losses shall be reported on the Grantor's federal income tax return and taxable to the Grantor. Each Grantor acknowledges that the Grantor, the primary representative, or the Beneficiary shall be responsible for mailing their own federal and/or state income tax returns to report the income of the Trust which is taxable to them as their interest may appear. Each Grantor hereby indemnifies the Trustee and the Manager from any and all claims for income tax liabilities of his or her sub-account which is treated as a grantor trust for federal income tax purposes. If any taxes are due on a sub-account, the funds for payments of the taxes will be automatically distributed from the sub-account.

IN WITNESS WHEREOF:

Whereas the undersigned Grantor(s) have reviewed and signed this Joinder Agreement, understand it and agree to be bound by its terms;

\_\_\_\_\_  
Grantor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Grantor 2 (if applicable)

\_\_\_\_\_  
Date

and the Manager has accepted this Joinder Agreement;

The Arc of Texas, Inc., as Manager

By: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_

the parties hereby execute this Joinder Agreement, to be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

ACKNOWLEDGEMENT OF GRANTOR'S SIGNATURE

THE STATE OF TEXAS

County of \_\_\_\_\_

This instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, as Grantor(s), on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_

Notary Public, State of Texas

\_\_\_\_\_  
(Print Name of Notary)

ACKNOWLEDGEMENT OF MANAGER'S SIGNATURE

THE STATE OF TEXAS

County of TRAVIS

This instrument was acknowledged before me by an agent of The Arc of Texas, Inc., on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My commission expires: \_\_\_\_\_

Notary Public, State of Texas

\_\_\_\_\_

**SCHEDULE A**  
**TO THE JOINDER AGREEMENT, WHICH IS APPENDIX I**  
**MASTER POOLED TRUST FEE SCHEDULE**

**Fees Effective as of April 1, 2000**

The following fees, which may be changed from time to time, may be charged by The Arc of Texas Master Pooled Trust.

A one-time enrollment fee of \$450\* is due at the time the Joinder Agreement is executed. The enrollment fee covers the cost of opening a Trust sub-account for the Beneficiary.

There is no annual renewal fee before the sub-account is funded.

Annual Maintenance and Consultation Fees: After the sub-account is funded (sometimes referred to as "funded enrollment"), the following annual fees are due. Although annual fees may increase or decrease over time, you will never be required to pay a higher fee than the rate that is applicable at the time your account is funded.

Fee schedule for "Distributions Authorized"accounts (checks will be requested)

Annual Consultation fee:

1.75% on the first \$50,000;

1.25% for amounts between \$50,000 up to \$100,000

1% for amounts over \$100,000

Minimum annual fee: \$ 300

-OR-

Fee Schedule for "Distributions Deferred"accounts (no checks will be requested during the year)

Annual Maintenance Fee:

1.25% for amounts up to \$100,000

1% for amounts over \$100,000

Minimum annual fee: \$250

Call for consultation fee for amounts over \$250,000

Special Assessments:

The Trustee and the Manager have authority from time to time, as necessary, to assess all sub-accounts or certain sub-accounts with special assessments for specific costs such as the cost of defending a sub-account of the Trust, or taking actions to preserve a beneficiary's Government Assistance. See Section 7.9 of the Trust Agreement for a description of possible defense costs.

Other fees:

1. Check writing fee for distributions checks that exceed 12 per year - \$12.50 per check.
  2. IRS tax preparation fee – To be negotiated at the lowest reasonable rate
  3. Any other fees applicable to this sub-account as follows:
- 
-

**SCHEDULE B**  
**TO THE JOINDER AGREEMENT, WHICH IS APPENDIX I**  
**TO THE ARC OF TEXAS MASTER POOLED TRUST**

**Contact Information**

For information regarding a Beneficiary's sub-account, or for requests for disbursements, call or write The Arc of Texas, Inc at:

The Arc of Texas Master Pooled Trust  
8001 Centre Park Drive, Suite 100  
Austin, TX 78754

Telephone:  
1-800-252-9729  
or  
(512) 454-6694

**CHECKLIST FOR SELF-FUNDED SUB-ACCOUNTS  
MASTER POOLED TRUST**

It is not The Arc's intention to provide legal advice. Attorneys working with families should be experienced in trust and government benefits issues. The Arc urges attorneys who are not experienced in these areas for persons with disabilities to direct families on to attorneys who have such experience.

**Please submit this checklist with the joinder agreement.**

\_\_\_\_\_ The beneficiary of the trust meets the definition of having a disability according the Social Security definition. (*check appropriate options.*) The beneficiary is currently eligible for SSI \_\_\_ SSDI \_\_\_ Medicaid \_\_\_ or the beneficiary has obtained a disability determination by TDHS \_\_\_ or for recipients with long term care Medicaid over the age of 65 \_\_\_.

\_\_\_\_\_ My client has been advised of the tax consequences of trust sub-account profit.

\_\_\_\_\_ I have advised my client that the Master Pooled Trust cannot disburse funds for basic needs (shelter, including rent, mortgage, deposits & basic utility bills; and food) but is a supplemental trust. The funds are budgeted for supplemental items which are appropriate to the sub-account beneficiaries needs. The trust account can approve a disbursement for a pre-paid burial plan but cannot approve disbursements after the beneficiary's death for a funeral.

\_\_\_\_\_ I have advised my client that federal law requires that all unspent amounts in the Beneficiary's sub-account at the Beneficiary's death must be used to reimburse the State for medical services received, unless the Donor chooses to leave a percentage of the funds for other beneficiaries of the Trust.

\_\_\_\_\_ There are no Texas Dept. of Aging & Disability Services Medicaid liens against the funds. (contact #: 512/490-4680)

\_\_\_\_\_ There are no Texas Medicaid & Healthcare Partnership liens or claims against the funds. (contact # 512/506-7546)

\_\_\_\_\_ There are no other liens or claims against the trust sub-account funds.

\_\_\_\_\_ I have advised my client that certain trusts may be subject to claims for some or all mental health and mental retardation services: however, there are statutes governing trust exemptions. These are Texas Health & Safety Code §534.0175 for community centers, TH&SC §552.018 for state operated MH facilities, and TH&SC §593.081 for state operated MR facilities. If the individual beneficiary is receiving Medicaid, then the individual's sub-account is not subject to charges for Medicaid-covered services.

I have advised my client that, under 42 U.S.C. §1396(p)(c), certain transfers of assets for less than fair market value (including but not limited to the purchase of an annuity that will not pay back to the purchaser the amount paid for it) can result in a period of ineligibility for certain types of Medicaid, including long-term care Medicaid, home or community-based waiver services, home health care services, home and community care for functionally disabled elderly individuals, and personal care services; and I have further advised my client that the act of joining The Arc of Texas Master Pooled Trust is not considered such a transfer of assets for less than fair market value, but I have also advised my client that if such a transfer of assets for less than fair market value has occurred, as would be penalized under 42 U.S.C. §1396(p)(c), joining The Arc of Texas Master Pooled Trust will not avoid or mitigate the penalty period.

\_\_\_\_\_  
Attorney name, print or type

\_\_\_\_\_  
Client name, print or type

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date