



MANAGED TRUST FUNDS

Families frequently have difficulty in leaving money to a disabled family member due to a lack of capacity to deal with finances. Families may also have found that relatively small amounts of money are not welcome as managed funds with professional trustees or that there are onerous restrictions and reporting requirements in establishing a Special Disability Trust, a relatively new product introduced by the Australian Government.

To deal with this, Future Living Trust has developed a service that covers the establishment of trust funds (Managed Funds) under a Will or during a disabled person's lifetime (Living Trust) by their parents or family designed to meet the ongoing needs of a family member with a disability.

Monies invested into a Managed Trust Fund are applied by Future Living Trust for the benefit, maintenance and advancement of a disabled family member. The Trust applies funds as needed in accordance with the terms of the contract made by the family, and on the advice of carers. This enables families to leave their own specific instructions. Funds are typically used for a variety of needs outside of everyday living expenses such as furniture replacement, ancillary health and dental needs, holidays, clothing and prepaid funeral plans. Establishing a Managed Trust Fund means families gain access to personnel experienced in working with people with disabilities who can apply their knowledge when considering the needs of the person for whom the funds are to be used.

A Managed Trust fund can be created by the family at any time or established as part of a Will. The funds are invested in common with other Trust money but are separately identified in the Trust's books as trust monies for each individual. Families who have deposited smaller amounts benefit from having monies invested in a larger pool gaining access to higher returns. There are no minimum limits on the amount that a family can invest in a Trust fund and fees are kept to a minimum so that funds remain in place for the direct benefit of the family member.

The funds will only be invested in licensed banks according to a prudent investment policy. Interest is credited monthly and statements are prepared and sent every six months.

If the disabled family member has made a valid Will, the Trust will hold the funds remaining after the disabled family member's death on trust for the beneficiaries of the disabled person's Will. If the disabled person is incapable of making a valid Will, the name of the person who is to receive the remaining funds is nominated in the Managed Trust Fund contract, alternatively, funds remaining can be left to the benefit of Future Living Trust (Inc).

Future Living Trust Incorporated 41 Bishop St Jolimont WA 6014
Phone 9387 8288 Fax 93870492 E-Mail info@futureliving.org.au Web www.futureliving.org.au
(Formerly The Hawkevale Trust Incorporated)

Incorporated in 1989 under the Associations Incorporation Act 1987. Registered under the Charitable Collections Act. ABN No 62 492 609 487

MANAGED FUNDS WILL CLAUSE

Families considering establishing a Trust fund for the benefit of a disabled family member through a Will bequest should instruct their Will maker to adopt the following clause:

" I give the sum of [\$ {amount goes here }] ("the Trust Fund") to FUTURE LIVING TRUST (INC.) of 41 Bishop Street, Jolimont in Western Australia to be held on trust and invested for and on behalf of my [son or daughter {full name}] on the following conditions:

- (a) The Trust will invest the Trust Funds in [here specify if usual investments not required].*
- (b) The Trust may charge against the Funds and interest earned on the Funds:
 - (i) It's current scale of charges adopted by the Board of the Trust from time to time; and*
 - (ii) If a scale of charges is not in force, or in respect of an expense not covered in the scale of charges in force, such amounts as the Trust reasonably determines having regard to the cost of providing services and actual disbursements incurred in respect of the Funds.**
- (c) Future Living Trust will apply the balance of the income and capital of the Trust Fund (after payment of Future Living Trust's charges) to the benefit, maintenance and advancement of my [son or daughter {name}] as it sees fit [or add specific requirements here].*

TAXATION

Funds held on trust will earn interest or other income that is likely to be in excess of the fees charged by the Trust. The disabled family member may need to pay taxation on these earnings depending on their individual circumstances. Trust fund earnings may also affect the pension entitlements of the disabled family member. Future Living Trust recommends that these aspects be checked with a financial advisor and or the Department of Social Security.

CURRENT CHARGES

The cost to establish a Managed Trust Fund is \$240. The annual administration fee is \$90. Disbursements and subsequent deposits are charged at a rate of \$15.00 per transaction. Fees are current as at July 2008.

Disclaimer:

Future Living Trust (Inc), nor any of its officers, is licensed to provide financial or investment advice and does not hold an Australian Financial Services Licence. We recommend that all applicants seek independent investment advice prior to any decision to invest.

Future Living Trust will at no time give an indication or undertaking as to the performance of any of the investments of the Trust.

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