Supporting Elderly Without Next-of-Kin:

SNTC's Pre-Planning cum Trust Service
Outline

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3. SNTC’s Pre-Planning cum Trust Service
   a. Initial assessment
   b. Care planning
   c. Subscription
   d. Review
   e. Preparation for trust setup
   f. Trust setup & operation
   g. Trust termination
## 1. Background

### History
- **Only non-profit trust company in Singapore**
- **Set up as a Company Limited by Guarantee (CLG)**
- **Accorded Institution of Public Character (IPC), i.e. charity status**
- **Fully funded by the Ministry of Social & Family Development (MSF)**

### Vision & Mission
- **Mission**: to enhance the financial security and well-being of persons with special needs (PSNs) through the provision of affordable trust services
- **Vision**: to collaborate with individuals and communities to ensure that support is available for PSNs who are unable to manage their finances independently

### Target Clientele
- Persons with special needs (e.g. physical / developmental / intellectual / mental disabilities) who are low to middle income
2. SNTC’s Services

**Current**

**Trust Service**

Brief description: the settlor (e.g., parents / siblings / spouse / legal representative of beneficiary) entrusts a sum of $ to SNTC for the beneficiary's future care needs. Upon the settlor’s demise, SNTC administers the $ according to the Care Plan developed by SNTC with the settlor.

- Care Planning
- Trust Setup
- Review
- Trust Activation
- Trust Operation & Review

**New**

**Pre-Planning cum Trust Service**

Brief description: SNTC develops a Care Plan with the client (i.e., elderly with no family support) for his future care needs and signs an Agreement with SNTC, whereby SNTC will engage his professional donee / preferred professional deputy when he loses mental capacity to set up a trust for his benefit, and thereafter administer the $ according to his Care Plan.

- Care Planning
- Subscription (Signing of service agreement)
- Review
- Preparation for Trust Setup
- Trust Setup, Activation, Operation, Review (i.e., trust service)
3. SNTC’s Pre-Planning cum Trust Service

Who is this service for?

• Elderly with no family support (i.e. no next-of-kin to rely on to manage one’s finances should one develop mental incapacity); and
• Are not high net worth individuals but have some assets; and
• Who would like to plan ahead for his/her future care in the event of mental incapacity

How does it work?

• Workflow –

  Initial Assessment → Care Planning → Subscription → Review → Preparation for Trust Setup → Trust Setup & Operation → Trust Termination

Similar to trust service
3. SNTC’s Pre-Planning cum Trust Service

Stage #1: Initial Assessment

- Does the potential client qualify for the pre-planning cum trust service?

- Eligibility criteria:

  55 years and above
  
  No family support
  
  Total asset value ≤ SGD equivalent of US$1mil
  
  Does not own more than one HDB property (i.e. no private property)

  Either

  No next-of-kin (NOK), i.e. no parents / spouse / children / siblings

  Or

  Has NOK, but NOK are...

  Older than the client
  Younger than client by no more than 5 yrs
  70 yrs and above

  Has difficulty with at least one Activity of Daily Living (ADL)
  Physically / mentally incapacitated

  Deemed by SNTC to be unsuitable to manage the client’s finances

- Preparation for Trust Setup
- Trust Setup & Operation
- Trust Termination

- Care Planning

- Initial Assessment

- Subscription

- Review
3. SNTC’s Pre-Planning cum Trust Service

Stage #2: Care Planning

- What are the client’s care needs & preferences, in the event he loses mental capacity? E.g. medical treatment, preferred living arrangement, desired social activities

- How does the client intend to finance his future care? In other words, what assets should come into the trust in future, to meet these expenses?

- Does the client prefer to: (i) make an LPA and appoint a professional donee now; or (ii) list down his preferred professional deputy in case he needs one in future?

<table>
<thead>
<tr>
<th>S/N</th>
<th>Daily Living Needs</th>
<th>Client’s Preferences in the event of mental incapacity</th>
<th>Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Transport</td>
<td>Attend church every Wednesday</td>
<td>$50</td>
</tr>
<tr>
<td>1.2</td>
<td>Pool</td>
<td></td>
<td>$100</td>
</tr>
<tr>
<td>1.3</td>
<td>Nutritional Supplements (milk) needs; vitamins etc.</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>1.4</td>
<td>Telephone Subscription card</td>
<td></td>
<td>$20</td>
</tr>
<tr>
<td>1.5</td>
<td>Personal Grooming</td>
<td>Play cards with friends 3 times a week</td>
<td>$20</td>
</tr>
<tr>
<td>1.6</td>
<td>Pocket Allowance</td>
<td></td>
<td>$20</td>
</tr>
<tr>
<td>1.7</td>
<td>Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Monthly amount is used to calculate the yearly amount, and yearly amount is projected based on assumptions on how long the person will live with mental incapacity.**

**Computation of total sums**

<table>
<thead>
<tr>
<th>Components</th>
<th>No. of Yrs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision required for community living</td>
<td>10</td>
<td>$108,297</td>
</tr>
<tr>
<td>Provision required for institutional living</td>
<td>15</td>
<td>$67,526</td>
</tr>
<tr>
<td>(Add: SNTC fees)</td>
<td>N.A.</td>
<td>$1,500</td>
</tr>
<tr>
<td>(Add: Professional deputy fees)</td>
<td>N.A.</td>
<td>$5,000</td>
</tr>
<tr>
<td>(Add: Funeral expenses)</td>
<td>N.A.</td>
<td>$5,000</td>
</tr>
<tr>
<td>Total provision required for mental incapacity</td>
<td>25</td>
<td>$992,723</td>
</tr>
</tbody>
</table>

**If trust has been set up**

- Date of trust setup: DD MMD YYYY
- Amount currently in trust account: $0.00

**Computation of provisions based on inflationary rate of:**

- 2.58%*  
  
  *Inflationary rate is based on inflation rates for the 10 past years and will be adjusted accordingly at a
3. SNTC’s Pre-Planning cum Trust Service

Stage #2: Care Planning (continued)

Client’s intentions on how to finance his future care are recorded

Client’s professional donee or preferred professional deputy will also be recorded in the Care Plan
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Stage #3: Subscription

- If the potential client meets the eligibility criteria and has done his Care Plan, he proceeds to sign the Service Agreement.
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Stage #4: Review

• Objectives of each review –
  ➢ Check client’s eligibility
  ➢ Update client’s Care Plan (if there are changes)
  ➢ Check on client’s well-being through home visits
  ➢ Refer client to other social services if necessary
  ➢ Provide information on financial matters (e.g. on GIRO, on HDB sale process, estate planning, etc.) → to help clients make informed choices about managing their assets presently and in preparation for the future

• Frequency of review – depends on client’s risk level

• In addition – SNTC to establish contact with other health & social service agencies currently serving the client → so that they can alert SNTC if they discover that the client has lost mental capacity
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Stage #5: Preparation for Trust Setup

- Client (C) is diagnosed with mental incapacity or fluctuating capacity (e.g. early dementia)

- Fluctuating mental capacity*
  - Does C have capacity to set up a trust?^
  - Yes → C sets up SNTC trust for himself
  - No → SNTC engages C’s professional donee / deputy

- Full-blown mental incapacity*
  - [if applicable] Professional deputy applies to & is appointed by the Court

- C’s assets are liquidated (by C or his professional donee / deputy) & placed in the trust

- SNTC engages C’s professional donee / deputy
  - Professional donee / deputy liquidates C’s assets
  - Professional donee / deputy sets up SNTC trust for C

* SNTC will be informed by the client’s health / social service providers.
^ SNTC will require a doctor’s assessment and report to prove that this is truly the case.
3. SNTC’s Pre-Planning cumTrust Service

Stage #6: Trust Setup & Operation

- After the trust is set up, SNTC works with the client (if he still has mental capacity) or his professional donee / deputy to ensure that all the assets earmarked for the trust by the client are liquidated and parked in the trust.

- SNTC administers the trust fund according to the client’s Care Plan.

...and uses the $ to set up an SNTC trust / injects the $ into the SNTC trust

**Care Plan:** Client’s intentions on how to finance his care

**Action:** Professional donee / deputy liquidates assets earmarked by client...

**Disbursement:** SNTC administers the trust funds according to the client’s Care Plan
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Stage #7: Trust Termination

- The trust will be terminated when:
  i. the trust fund runs out; or
  ii. the client passes on.

- If there is balance remaining in the trust fund, they will be distributed to Residual Beneficiaries, i.e. persons named by the client to receive the balance after his demise.

- The Residual Beneficiaries will be named in a Schedule attached to the Service Agreement.

Termination
Thank You