

**Awards For  
Children Who Have  
Been Severely  
Injured**



**PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA**

**Your Child's Trust Fund**

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## Awards Resulting From A Very Severe Injury

The administration of trust funds for children with very severe injuries is guided by the same principles as other trusts. However, given the purpose and the amount of the trust, administering these trusts is considerably more complex.

## Developing A Relationship With Your Trust Manager

Soon after your referral to the Public Guardian and Trustee, you will be assigned a Trust Manager who will call to set an appointment with you.

Before meeting with you, your Trust Manager reads over the Public Guardian and Trustee's report to the Supreme Court regarding your child's case. This report summarizes the facts of the lawsuit, the injuries your child sustained, and the amounts awarded for pain and suffering, cost of care, loss of opportunity to earn income, etc. The report may also reference helpful expert reports such as cost of care reports.

During your first appointment, your Trust Manager will begin to get to know you and your child. At this point, you are probably making decisions about what support and services you and your family are prepared to undertake, and what needs to be provided by professionals. You should talk about these decisions with you Trust Manager, and communicate the goals that have been set for your child.

Your Trust Manager is responsible for properly managing your child's trust account until your child is nineteen. This requires preparing an annual budget and long-term financial projections. The Trust Manager considers which investments will be most advantageous to your child, and works towards balancing the need to earn interest on investments with the need to spend funds for your child's rehabilitation and benefit.

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You and your child's Trust Manager will work together to develop this budget. You will make decisions together to ensure it meets your child's present and future needs within the amount provided by the settlement or Court award.

## Developing a Budget

When developing a budget, it is important to consider how the Court anticipated the proceeds of the lawsuit would be spent. To that end, the Trust Manager examines the following:

- cost of care reports
- Court's Reasons for Judgment (if any)
- Public Guardian and Trustee's recommendation to the Court (if any)
- any reports from an external case manager
- financial projections for the trust.

Your Trust Manager knows from experience with other families that it is extremely challenging to cope with all the changes that occur when a child is severely injured. Our goal is to help you obtain the support you need to maximize your child's enjoyment of life, and his or her relationships with family and friends.

The topics that you will want to discuss with your child's Trust Manager may include:

- your child's current and future care needs, including the need for equipment, therapies and other supports
- how to meet your child's special accommodation needs
- the current level of care and support the family is able to provide
- your family's circumstances, needs and expectations
- information contained in care reports
- whether there is a need for a professional case manager
- your need for respite
- the purpose of the funds as described in the Reasons for Judgment or the settlement documentation
- resources available in the community

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- the amount of money in the trust
  - financial projections for the trust
  - investment options
  - tax reporting requirements.

After meeting with you, your Trust Manager will prepare a draft budget for your consideration. The budget will identify:

- what costs will be covered by the child's trust
- the anticipated dates that money will be paid from the trust
- who is to receive payment
- what the payment is expected to cover
- other sources of funds to support the child, and
- Public Guardian and Trustee fees.

The budget that is finally approved by you and the Trust Manager is a guide for managing your child's trust fund. It is reviewed on an annual basis and it can be modified. If at any time you feel that it is not adequately meeting your child's needs, you should ask your Trust Manager for a review.

## Special Requests

Sometimes families have reason to request money from the trust that has not been allocated in the budget. Discuss these requests with your Trust Manager. Your Trust Manager considers whether your child's trust can afford the expenditure, if it is for a purpose recognized by the Court award, and the benefits to your child. Once this is reviewed, a decision will be made. For more information, please see "Accessing Funds."

## Case Management

Your child may have many care requirements. While some parents coordinate their child's care, there are situations in which a professional case manager may be needed. A case manager assesses the services

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needed, and coordinates, arranges and sometimes provides the services required by the child such as tutoring, physiotherapy, life skills training, etc. A case manager may only be necessary for a short time or, depending on the needs of the child and the energy, skills and /or expertise of the parents, on-going assistance may be required.

The need for a professional case manager is an issue you can discuss with your Trust Manager. If you have not been involved with professional case managers up until now, your Trust Manager can provide you with information on how to access these services. If you are already using the services of a professional case manager, let your Trust Manager know.

## Money Paid to Parents

Some parents are able to assume responsibility for their child's care that would otherwise be performed by a third party (such as physiotherapy). Providing there is sufficient money in the trust, the Public Guardian and Trustee will consider making payments to parents for care over and above usual parenting duties. The level of reimbursement is based on what the trust can afford, and the level and type of care provided by the parents.

## Investing Your Child's Funds

Depending on the amount of money your child has received and the needs of your child, your Trust Manager will work with you to ensure your child's funds are invested in the most appropriate manner.

(See section on "Investing Your Child's Funds").

The Public Guardian and Trustee may recommend an external professional investment manager for very large trusts, typically those in excess of \$500,000, following a review process that includes the following steps:

1. Review of any unique investment circumstances of the child, such as care requirements as a result of an injury, or compensation for earnings lost.

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2. Development of an Investment Policy Statement that sets out the child's investment objectives and describes the terms and requirements of the investments.
  3. Review of investment manager proposals.
  4. Selection of an external investment manager.
  5. Regular monitoring of the investment portfolio and performance.
  6. An annual review of the child's Investment Policy Statement by the Public Guardian and Trustee Investment Manager and the parent or guardian.

## **Family Involvement**

When the most prudent investment alternative is an external investment manager, the child's parents or guardians are involved in the process. This may include input into an Investment Policy Statement and selecting the most suitable external investment manager.

## **Investment Reporting and Performance**

All children's funds managed by an external investment manager are subject to regular reporting of holdings, transactions and investment performance. A portfolio's performance is regularly measured against the benchmarks set in the Investment Policy Statement to ensure investment objectives are being met. This information is reported to the Trust Manager on a regular basis.

## **Major Purchases – Housing**

Sometimes families need to renovate their homes - or even move to a more suitable home - to provide the appropriate physical environment for their severely injured child. Housing decisions can involve a significant expenditure from your child's trust funds, and a variety of factors will need to be considered before expenditures can be released.

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These may include:

- Court Orders or Reasons for Judgement that speak to the issue
- the original intent for the use of the funds
- the child's health and safety
- the benefits to the child physically and emotionally
- the child's current and anticipated ability
- recommendations of involved health care professionals.
- family financial and other circumstances
- financial position of the child and ability to meet ongoing needs from the trust
- cost and benefit of a house purchase as compared to renting or renovations to existing property.

If it is determined the trust funds can be used to renovate or contribute to the purchase a home, your Trust Manager will discuss the procedure with you and will remain involved throughout the purchase or renovation process.

## Major Purchases – Vehicles

Sometimes families require a special vehicle to transport their child and equipment such as a wheelchair. Your Trust Manager is experienced with the purchase of these kinds of vehicles, and can suggest vehicles other families have found to be satisfactory, or suppliers who provide vehicle modifications.

These issues will likely be discussed when you meet with your Trust Manager. You may not have an immediate need, but if the need is anticipated, it will be considered when the budget is developed.

Whatever expenditures are required, our goal is to work with you to ensure that your child's funds are available to meet his or her ongoing needs.



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