

# HEMS Decision Framework

& Quick Reference Card

## The 4-Question Test

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Ask before every distribution:

**1. Which HEMS category fits?**

**H — Health:** Medical diagnosis, treatment, prescriptions, therapy by licensed practitioners

**E — Education:** Tuition, books, fees, certifications, vocational training

**M — Maintenance:** Accustomed standard of living (not aspirational)

**S — Support:** Maintenance + circumstances-based additional needs

**2. Does the trust document modify the standard?**

Some trusts narrow to HE only. Some expand. The document wins every argument.

**3. Can the trust afford it — for ALL beneficiaries?**

Consider current AND future beneficiaries. Don't drain the trust for one.

**4. Is this consistent with past distributions?**

If you approved X for one beneficiary, what justifies more/different for another?

## The Memo Template

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For every distribution, complete:

Category: \_\_\_\_\_ Amount: \$ \_\_\_\_\_  
Purpose: \_\_\_\_\_ Impact on Trust: \_\_\_\_\_  
Consistency with past: \_\_\_\_\_ Date: \_\_\_\_\_  
Trustee signature: \_\_\_\_\_

# HEMS Quick Reference Card

## H — Health

- ✓ Medical, dental, mental health treatment
- ✓ Prescribed treatments by licensed practitioners
- ✓ Physical therapy, prescription medications
- ✗ Cosmetic surgery (non-reconstructive)
- ✗ Elective procedures, gym memberships (unless prescribed)
- ✗ Vitamins/supplements (unless prescribed), "stress vacations"

## E — Education

- ✓ Tuition, books, room/board while enrolled
- ✓ Fees, certifications, vocational training
- ✓ Graduate school, professional development
- ✗ Gap-year trips, cars for commuting
- ✗ Student loan repayment for completed degrees
- ✗ Children's tuition (unless trust says "descendants")

## M — Maintenance

- ✓ Accustomed standard of living
- ✓ Housing at prior standard (adjusted for inflation)
- ✗ Upgrading lifestyle (luxury SUV, bigger home)
- ✗ Designer wardrobe
- ✗ Anything that elevates rather than preserves

## S — Support

- ✓ Maintenance + additional needs from circumstances
- ✓ Disability, divorce, dependent children
- ✗ Startup capital / entrepreneurial investments
- ✗ Gifts to non-beneficiaries
- ✗ Speculation over documented need

### ⚠ CRITICAL REMINDER

Every distribution must fit at least one HEMS category. Write a 2-minute memo for every distribution. The document controls — HEMS is the default, not the rule.