

ALABAMA FAMILY TRUST

Many Americans depend upon government entitlements such as Medicaid, SSID and SSI to provide for their financial needs. Many of these individuals have mental or physical disabilities that substantially limit their major life activities. However, the financial resources provided by Medicaid, SSID and SSI are often insufficient to cover the day-to-day living expenses of those that depend upon these programs. This is particularly true of those with disabilities, who must also face the costs of increased medical bills and the need for special medical equipment and supplies.

The Alabama Family Trust (AFT) provides trust services for persons with such disabilities. The organization was created by the State of Alabama Legislature in 1994 to encourage, enhance and foster the provision of medical, social or other supplemental services for persons with a mental or physical impairment (See Code of Alabama 1975 Chap. 38-9B). The AFT is a 501 (c) (3) general non-profit organization established for the purpose of administering special needs trusts for the disabled.

Special Needs trusts are a type of trust specifically designed for individuals with disabilities. If properly structured and administered, special needs trusts do not affect an individual's eligibility for government benefits such as SSI, SSID and Medicaid.

However, because of prescribed resource limitations, such financial assistance from family and friends can adversely affect the disabled individual's eligibility for Medicaid, SSID and SSI. The current resource limit for Medicaid and SSI benefits is anything in excess of \$2,000.

This is where the Alabama Family Trust fulfills a need. The AFT provides for the establishment of a trust from which funds may be disbursed to supplement the care, support, shelter and treatment of the designated disabled person or beneficiary. As written, the legislation establishing the AFT is fairly broad as to what may be expended on behalf of the trust's beneficiary.

The AFT has beneficiaries who are already Medicaid and SSI recipients. It also has many individuals who become eligible for these government

entitlements as they simultaneously establish an Alabama Family Trust for themselves or loved ones.

The trust may be established with a minimum of funds. The current minimum for trust establishment is \$100.00 accompanied with a one-time application/administrative fee of \$400.00 which is also required. Thus, technically the minimum is \$500.00.

AFT is governed by an eleven member Board of Trustees who is appointed by the governor of the State and the Legislature. The Board members represent the interests of persons with mental illness, mental retardation or developmental disabilities and physical impairments and are recognized for their expertise in general business matters and procedures. Board members serve without compensation and are appointed to 3 year terms.

If you have any questions regarding the AFT, you can visit the program's web site at www.alabamafamilytrust.com, or you can contact the AFT's Executive Director, Ronald P. Locke, Esq., at 205.944.3987 (Toll Free 800.711.1303) or ronlocke@ucpbham.com.