WHO IS ALABAMA FAMILY TRUST?

Created by the Alabama Legislature in 1994, Alabama Family Trust (AFT) protects assets for people of all ages with disabilities. The trusts that we offer help people achieve or maintain financial eligibility for government benefits that are based on assets, such as Medicaid for the elderly and disabled, as well as Supplemental Security Income (SSI). Additionally, placing funds in an AFT trust may help protect vulnerable people from financial exploitation or fraud.

WHY SHOULD YOU CHOOSE ALABAMA FAMILY TRUST AS YOUR TRUSTEE?

- Alabama Family Trust operates in accordance with all Social Security Administration and Medicaid regulations.
- Our trust documents are accepted by the Social Security Administration and Medicaid agencies throughout the nation.
- AFT's administrative fees are lower or comparable to fees charged by other financial institutions providing trustee services.
- Your Beneficiary has the potential to receive benefits from our charitable fund when individual assets are depleted.
- We work with Attorneys, Accountants, Financial Advisors, and facilities throughout the state to help their clients create a trust that works for each family's situation.
- We work with Waverly Advisors LLC to offer professional investment options with varying levels of return, to accommodate all risk tolerances.

AFT

CONTACT US

205.883.8333
AlabamaFamilyTrust.com

LOCATION

100 Centerview Dr., Suite 200
Vestavia Hills, AL 35216

HOURS OF OPERATION

M-F 9am to 4pm CST

AFT

ALABAMA FAMILY TRUST

LONG-TERM CARE IS EXPENSIVE, AND THERE NEVER SEEMS TO BE ENOUGH HELP.

If you have a loved one with a disability, you know how expensive their long-term care can be, even if government benefits help defray some of the cost. Although benefits like Social Security Income (SSI) or Medicaid can be life-changing, these programs do not pay for every single need of a person with disabilities. Most people need help supplementing the cost of long-term care, whether in a skilled care facility, or even at home. We work with you to create a trust and a care plan that will help meet your loved one's needs. We understand that time is of the essence – setting up a trust through Alabama Family Trust can be completed in a matter of days, with a minimum deposit of only $1,500, and no maximum deposit.

WHAT CAN AN AFT TRUST PAY FOR?

We make disbursements based on the laws and regulations that govern the specific benefit(s) that your loved one is receiving. Generally speaking, an AFT trust can pay for things that SSI or Medicaid will not pay for. Some examples include:

- Private room charges not covered by insurance/ Medicaid
- Pre-need burial
- Clothing
- Bedding (subject to residential facility approval)
- Phone, cable, internet, and streaming services
- Mileage
- Tuition, books, and tutoring
- Travel and entertainment
- Household furnishings and furniture
- Durable medical equipment
- Adaptive aids not covered by insurance/Medicaid
- Electronics, such as a cell phone, tablet, or laptop
- Care management
- Therapy and medications not covered by insurance/Medicaid
- Penalties assessed by Alabama Medicaid

BUT WHAT EXACTLY IS A TRUST?

A **trust** is a legal arrangement that is created to benefit an individual, in this case somebody who has disabilities or infirmities and who needs help managing their affairs. The Trustee oversees the money in the trust and makes determinations about how the funds are spent in the best interest of the person in need, known as the Beneficiary. The Trustee must abide by the instructions in the trust document, as well as the laws and regulations governing trusts, and the laws and regulations of any benefits programs that are implicated.

HOW CAN A SPECIAL NEEDS TRUST HELP MY LOVED ONE GOING INTO THE NURSING HOME?

People entering a nursing home do not need to spend all of their savings to qualify for Medicaid benefits. Instead, they can put any money that exceeds the amount allowed by Medicaid (currently $2,000) into a Special Needs Trust. This is important because nursing home Medicaid does not pay for everything, such as a private room, haircuts, clothing, or even certain therapies or medications. A Special Needs Trust can be a First-Party Trust (where people put their own funds in the trust), or a Third-Party Trust (where family members put funds in the trust for someone else). Our nursing home Beneficiaries are typically funding their Special Needs Trust with their own money, so we create a First-Party Special Needs Trust for them.

FIRST-PARTY TRUSTS

A Special Needs Trust is a First-Party Trust if the Beneficiary's own resources are used to create it. This happens when someone with excess resources needs to qualify for nursing home Medicaid immediately, or even when someone already on benefits receives a gift, inheritance, or money from a lawsuit. Because the trust contains the Beneficiary's own money, this type of trust must have a provision that allows Medicaid to be reimbursed at the Beneficiary's death if there are funds left in the trust; this is known as a "payback provision". This payback provision is required under the law for every First-Party Trust. If the Beneficiary runs out of money, then the Beneficiary can apply for help from the AFT Charitable Trust.

THIRD-PARTY TRUSTS

If a loved one or friend wishes to give a person with a disability money or an inheritance, a Third-Party Trust should be used to preserve an individual's benefits. This trust is a Special Needs Trust, like a First-Party Trust, but there is no payback provision. The person creating the trust for their loved one can put money into the trust during their lifetime, or they can leave directions in a Last Will and Testament (or in a Living Trust if not to a spouse) to create and fund the trust with AFT after death. This is a great way to take care of your loved ones while you are alive, and after you're gone. Also, like a First-Party Trust, a Beneficiary who runs out of money can apply for help from AFT's Charitable Trust.