


# Lesley Byars

Executive Director

“When both of my parents developed dementia, I didn't know how we would afford the care they needed. They had spent their lives as hardworking school teachers, but nursing home care was overwhelming financially. Alabama Family Trust helped us establish a trust, guided us through the Medicaid process, and gave us peace of mind knowing my parents' assets were being managed properly. I no longer had to constantly worry about how we would pay for their care. The team at AFT was compassionate, knowledgeable, and always willing to help. I can't imagine going through that journey without them.”

**WALLACE DAVIS, FAMILY MEMBER AND NOW AFT BOARD MEMBER**

“Alabama Family Trust is a very caring trust. We have been just amazed at the far-reaching benefits of the trust as far as helping people move forward. It helps them not just get their basic needs met, but going above that making their quality of life to the best it can possibly be.”



**PAULA THORNTON, NURSE CASE MANAGER**

# First Party Pooled Special Needs Trust (d)(4)(C) Trust

- A trust containing the assets of an individual who is disabled (as defined in section 1382c(a)(3) of this title) that meets the following conditions:
- (i) The trust is established and managed by a non-profit association.
- (ii) A separate account is maintained for each beneficiary of the trust, but, for purposes of investment and management of funds, the trust pools these accounts.
- (iii) Accounts in the trust are established solely for the benefit of individuals who are disabled (as defined in section 1382c(a)(3) of this title) by the parent, grandparent, or legal guardian of such individuals, by such individuals, or by a court.
- (iv) To the extent that amounts remaining in the beneficiary's account upon the death of the beneficiary are not retained by the trust, the trust pays to the State from such remaining amounts in the account an amount equal to the total amount of medical assistance paid on behalf of the beneficiary under the State plan under this subchapter. (underlines added)

Omnibus Budget Reconciliation Act of 1993 ("OBRA 1993") codified at 42 U. S. C. § 1396p(d)(4)(C)



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# Alabama Code § 38-9B-1
# Title 38 – Public Welfare

Section 38-9B-1

Legislative findings.

(a) The Legislature finds and declares the following:

- (1) It is an essential function of state government to provide basic support for persons with a mental or physical impairment that substantially limits one or more major life activities, whether the impairment is congenital or occurs by reason of accident, injury, age, or disease.

- (2) The cost of providing basic support for persons with a mental or physical impairment is difficult for many citizens to afford, and they are forced to rely upon the government to provide that support.



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# Medicaid and Alabama Family Trust



How can funding an AFT account help with Medicaid eligibility?



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# Topics for Discussion

- Spend down for Medicaid
  - Some people have too much resources to qualify for Medicaid. This amount is called excess resource. Spending the excess resources is called Spend Down. Some people are told to spend the excess resources by paying the nursing home bill. AFT offers another option.
- How to Create and Fund the trust
- Life Beneficiary and Trust Disbursements
- Cost and Fees
- Distributions at Termination of Trust
- Benefits of an AFT account



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# Alabama Medicaid

- To receive long term care nursing home benefits, a person must meet general medical and financial criteria:
  - The person must be a U.S. citizen; or a qualified alien
  - The person must live in Alabama and intend to stay in Alabama
  - The person must meet medical criteria – (should not be an issue if the resident is admitted to the nursing home)
  - The person's gross income must be at or below $2,982* (2026)
  - The person's countable resources must be at or below $2,000
  - No penalties or use solutions for penalties

*Excludes $30 personal needs allowance



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# Simplify the Spenddown

- When the resident has too much resources to qualify for Medicaid, one solution is to tell the family to pay the nursing home until the funds are exhausted; but there is a better way.

- In reality, it is better for a nursing home resident to set up a trust with excess resources. Funds may then be available to:
  - Pay during a penalty period and/or
  - Provide funds for extra needs of the resident for which Medicaid does not pay.
    - Private room
    - Caretakers in addition to nursing home staff, if appropriate

*Resource problems can be greatly reduced using an AFT trust.*



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# Alabama Medicaid: Penalties

- Medicaid looks at five years of the applicant's finances ("look back period").
  - This includes ALL accounts, IRAs, CDs, bonds, land, etc.
- GIFTS ARE NOT ALLOWED
- Gifts result in a penalty being imposed by Medicaid





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# Examples of Penalty Issues

- John and Mary gave their son a total of $60,000 in 2020 - 2022 when he was out of work.
- A Medicaid applicant gave a granddaughter $20,000 to help with college tuition.
- A child withdrew $25,000 from parent's account without permission, but parent did nothing to get the funds back.
- A father gave grandson his Ford F250 pickup truck



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# Excluded Resources



- Homestead
- One car
- Clothing and personal items

*A Pooled Supplemental Needs Trust a/k/a Special Needs Trust (SNT).*



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# Special Needs Trust a/k/a Supplemental Needs Trust

- An SNT is designed to protect the resources of a person who has a disability.
- The person can place resources in an SNT enabling them to qualify financially to receive means-based government benefits.
- How? SNT assets are not counted against the person for purposes of financial eligibility for government benefits.
- The trust assets can be used to supplement the needs of the beneficiary.

*A Supplemental Needs Trust can help persons qualify for benefits or prevent losing their existing government benefits.*



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# Types of Supplemental Needs Trusts

- First-Party Supplemental Needs Trusts - Created with resources of the person with a disability. These resources may be savings and investments, the proceeds of legal settlements, gifts, inherited assets, etc.

- Third-Party Supplemental Needs Trusts – Created with assets belonging to someone other than the person with a disability.

- Pooled Trusts – May be First Party or Third Party



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# First-Party Special Needs Trusts
# Pooled Trusts

If the person with a disability is 65 years of age or older, he or she **must** use a pooled special needs trust.



Pooled trusts are addressed in 42. U.S.C. § 1396p(d)(4)(c)



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# *Pooled* Supplemental Needs Trusts Create and Fund

- Under federal law, a pooled SNT trust can be created by the parent, grandparent, or legal guardian of such individuals, by such individuals, or by a court. 42 U. S. C. § 1396p(d)(4)(C)

- However, the federal provision **ALLOWING** an SNT to be established by these people does not give them the **AUTHORITY** to do so. Authority is granted by state law.

- Who can Create and Fund the AFT account
  - The individual (if competent)
  - Attorney in Fact (if granted authority)
  - Conservator (if granted authority)
  - Parent or authorized person - for litigation proceeds
  - Any non-beneficiary – via will or trust



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# ***Pooled*** Supplemental Needs Trusts Attorney in Fact

- **Prior to 2012**, Alabama had *no law* concerning whether any particular powers granted to an attorney-in-fact had to be listed specifically in the document. For that reason, an Alabama power of attorney executed prior to 2012 that contained broad powers, such as "**the power to do any act that I could perform myself**," would allow the attorney-in-fact to execute an AFT trust agreement.

- In 2011, the Legislature adopted a modified version of the Uniform Power of Attorney Act, which became **effective on January 1, 2012**, but which provided that powers of attorney *executed prior to that date remained valid and were not subject to any new provisions in the new law*.

- **The new law** provides that the agent cannot establish any trust of any kind using a power of attorney unless the document includes a ***specific power*** to that effect. In other words, "the power to do any act that I could perform myself" would not allow execution of the AFT first-party special needs trust agreement.



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# ***Pooled*** Supplemental Needs Trusts Attorney in Fact

- Caution: If the power of attorney document contains a specific power authorizing creation of a trust for the beneficiary, but that power authorizes only the creation of a trust that is **revocable**, that power would NOT allow execution of an AFT first party special needs trust.
  - A First Party SNT must be **irrevocable** if the goal is for the trust assets to be non-countable by Medicaid.

- Note that the power of attorney document does not have to state specifically that the agent can create an irrevocable trust. A broad power to **create a trust** is sufficient.



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# *Pooled* Supplemental Needs Trusts Attorney in Fact

The below was copied from the Statutory Power of Attorney

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below: (CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL the specific authority you WANT to give your agent.)

LGB Create, amend, revoke, or terminate an *inter vivos* trust, by trust or applicable law

_____Make a gift to which exceeds the monetary limitations of Section 26–1A–217 of the Alabama Uniform Power of Attorney Act, but subject to any special instructions in this power of attorney

_____Create or change rights of survivorship

_____Create or change a beneficiary designation



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# Pooled Trust – Create and Fund Conservator

- Alabama Code § 26-2A-152 (1975, as amended) which lists the powers of a conservator does not include the power to **CREATE** a trust.

- Under Alabama Code § 26-2A-154, a court having equity jurisdiction may **ENLARGE** a conservator's powers.

- Alabama Code Sections 26-2A-136(b)(2) and (b)(3) allow a court to grant the conservator authority to **CREATE AND FUND** an irrevocable trust.



# Limited Conservatorships (One-Time Transaction)



When creating a first-party trust, an attorney can petition the court for a limited conservatorship asking the court to appoint a conservator to perform the one-time act of creating and funding the trust for the individual (sometime referred to as a single transaction).

For example, when the individual . . .

- Does not have the capacity to sign the trust
- Does not have an agent named in a proper durable power of attorney

Code §26-2A-137



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# Litigation Proceeds Minor or Incompetent Person

- Under Alabama Code § 6-5-390, when a child is injured, the child's parent can bring a claim on the child's behalf.
- Under Alabama Rules of Civil Procedure (ARCP) Rule 17 (c), a "next friend" or other designated person can sue on behalf of a minor or incompetent person.
- As part of the order approving the settlement, the court can include an authorization for the person to **create** the AFT irrevocable trust for the benefit of the minor or incompetent person and to **fund** the trust with settlement proceeds. This will be a first-party trust.
- If the court does not authorize the creation and funding of the trust, then a conservatorship (or single transaction) may be required.



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# Probated Will or Trust Agreement

- With a will or trust, someone must have the authority to **create and fund** the trust.
  - For example, the parent's will devises an inheritance to a child with a disability, *in trust*. It includes terms that authorizes the Personal Representative and/or Trustee to execute all documents necessary to **create** a trust with the Alabama Family Trust and to transfer the child's share into the trust ("**fund**"). This is a *third-party* trust. No Medicaid payback provision required.

- Note that if the will or trust gives the inheritance *outright* to the child, and a court order is obtained authorizing the creation and funding of the trust, the trust is a *first-party* trust.
  - A Medicaid payback provision is required.



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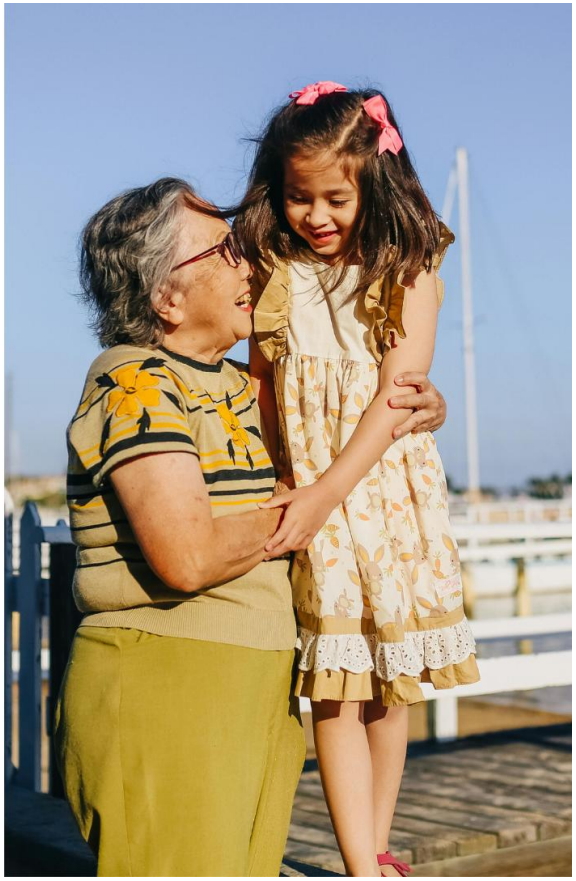
# Alabama Family Trust Forms

- Review and complete the documents establishing the trust. The forms are online at www.alabamafamilytrust.com/documents/
- AFT does not provide legal advice on whether you should create a trust; however, we will assist you in completing the forms.
- If you are creating a special needs trust in a Last Will and Testament or Revocable Living Trust for a disabled person, you need to consult a lawyer, as we do not prepare Wills or Revocable Living Trusts.



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## WAVERLY ADVISORS
## SERVING ALABAMA FAMILY TRUST

**WAVERLY ADVISORS is an independent Registered Investment Advisor (RIA) and advises on assets in excess of $7.2 billion. Our firm serves trusts, foundations and endowments, retirement plans and high net worth individuals and families. With more than 100 team members across the U.S., we offer clients investment consulting, asset management, comprehensive financial planning, retirement plan consulting and collaborative tax and estate planning.**

### PARTNERSHIP WITH ALABAMA FAMILY TRUST

We partner with Alabama Family Trust to offer its beneficiaries a unique, comprehensive solution that includes **record keeping**, administration services and investment management under one firm umbrella. We also serve as an investment fiduciary, making the investment management decisions and offer the following services:

- Investment management
- Trust administration
- Daily trust record keeping
- Government reporting

### FINANCIAL SAVINGS AND QUALITY INVESTMENTS

As fee-only advisors, we are committed to investment advisory services that are competitively priced for Alabama Family Trust beneficiaries, along with investment options that offer varying levels of risk. Our risk-based models, created and monitored by the nine-member Investment Committee of **Waverly Advisors**, are listed below:

**Capital Preservation Allocation**
Designed for investors seeking only current income with no capital appreciation potential

**Income Focused Allocation**
Designed for conservative investors whose goal is to preserve capital with very little capital appreciation potential

**Conservative Allocation**
Designed for investors who place a premium on capital preservation, while allowing slight capital appreciation potential

**Balanced Allocation**
Designed for investors who need a balanced approach that targets some capital appreciation with moderate downside protection

**Growth Focused Allocation**
Designed for investors who have a high risk tolerance, but still want some downside protection

**Pure Growth Allocation** Designed for the most aggressive equity investor—the allocation attempts to get equity upside, while smoothing out volatility

**The following index-based funds are also available from Vanguard:**

- Vanguard Life Strategy Funds – Income
- Vanguard Life Strategy Funds – Conservative Growth



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ADVISORS

www.waverly-advisors.com

# Waverly Advisors

Read more about Waverly Advisors at our website:

https://www.alabamafamilytrust.com/

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Monthly Fact Sheet

WAVERLY ADVISORS

As of 6/30/2026

## Strategy Comparison

### Trailing Returns

| | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|
| WA Pure Growth Allocation | 11.64 | 23.35 | 18.88 | 10.99 | 12.90 |
| WA Growth Focused Allocation | 9.65 | 19.60 | 16.14 | 9.09 | 10.89 |
| WA Balanced Allocation | 7.43 | 15.65 | 13.34 | 7.11 | 8.71 |
| WA Conservatively Balanced Allocation | 5.30 | 11.82 | 10.53 | 5.11 | 6.52 |
| WA Income Focused Allocation | 3.14 | 8.02 | 7.74 | 3.30 | 4.35 |
| WA Capital Preservation Allocation | 1.74 | 3.88 | 4.67 | 3.45 | 2.37 |

### Calendar Year Returns

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| WA Pure Growth Allocation | 20.93% | 15.99% | 19.47% | -14.52% | 20.81% |
| WA Growth Focused Allocation | 17.93% | 13.54% | 17.01% | -13.89% | 16.75% |
| WA Balanced Allocation | 15.52% | 10.70% | 14.35% | -13.21% | 12.15% |
| WA Conservatively Balanced Allocation | 12.83% | 7.94% | 11.70% | -12.45% | 7.70% |
| WA Income Focused Allocation | 10.22% | 5.18% | 8.97% | -11.04% | 3.91% |
| WA Capital Preservation Allocation | 4.25% | 5.23% | 5.08% | 1.06% | 0.03% |

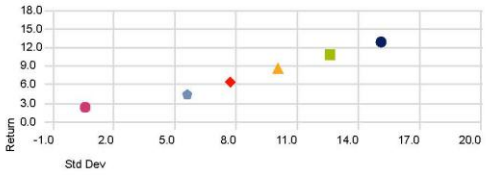
### Characteristics

| | Cash % | Equity % | Bond % | 12 Mo Yield | Net Expense Ratio |
|---|---|---|---|---|---|
| WA Pure Growth Allocation | 1.00% | 99.00% | 0.00% | 1.81% | 0.13% |
| WA Growth Focused Allocation | 1.00% | 80.00% | 19.00% | 2.23% | 0.13% |
| WA Balanced Allocation | 2.00% | 60.00% | 38.00% | 2.73% | 0.13% |
| WA Conservatively Balanced Allocation | 3.00% | 40.00% | 57.00% | 3.25% | 0.13% |
| WA Income Focused Allocation | 4.00% | 20.00% | 76.00% | 3.79% | 0.13% |
| WA Capital Preservation Allocation | 75.00% | 0.00% | 25.00% | 3.76% | 0.38% |

### Risk-Reward

Time Period: 7/1/2016 to 6/30/2026

- WA Pure Growth Allocation
- WA Growth Focused Allocation
- WA Balanced Allocation
- WA Conservatively Balanced Allocation
- WA Income Focused Allocation
- WA Capital Preservation Allocation




Source: Morningstar Direct

# Waverly Advisors

These reports are published each month on our website.



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# Life Beneficiary & Trust Distributions

- Life Beneficiary
  - Can be any person with a disability
  - Can be of any age

- AFT's primary purpose is to supplement the needs of the beneficiary while making certain that assets are not used in a way that would cause the beneficiary to be disqualified for benefits.
  - Thus, distributions must be within regulation guidelines.
  - **One requirement is that distributions must be solely for the benefit of the beneficiary.**
    - The trust can only benefit one beneficiary at its creation and during the remainder of that beneficiary's life. (POM SI 01120.201F.2.a)



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# Life Beneficiary and Trust Distributions

- Included in the allowable distributions under the sole benefit criterion is a disbursement for non-beneficiaries in certain scenarios:
  - Certain travel expenses, including but not limited to, expenses paid to a third party that are necessary for the SNT Beneficiary to obtain medical treatment.
  - Caretaker expenses for trips, for example.





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# Examples of Items that can be Purchased with SNT Funds

- ✓ Therapies not covered by Medicaid
- ✓ Education, including tuition, books and supplies
- ✓ Electronic equipment such as computers, television, video games
- ✓ Hobby supplies such as painting supplies, music, games
- ✓ Telephone, cell phone service
- ✓ Cable service
- ✓ Clothing
- ✓ Personal hygiene products such as: shampoo, lotion, adult diapers
- ✓ Differential for private room in nursing home
- ✓ Magazines/Newspaper subscription
- ✓ Furniture
- ✓ Household goods: bedding, curtains
- ✓ Pre-need funeral and burial arrangements



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# Life Beneficiary and Trust Distributions

- The **Representative** will submit a disbursement request to AFT for funds to be disbursed for the beneficiary. Examples:
  - Representative sends disbursement statement requesting purchase of a new iPad for the beneficiary. AFT's board approves the request and **authorizes the purchase**.
  - Representative sends disbursement statement and copy of nursing home bill and letter from Medicaid setting out a penalty period. AFT pays the nursing home bill **directly to the nursing home** after the board approves the request.
  - Representative sends disbursement statement and copies of receipts for clothes purchased for disabled person. AFT **reimburses** Representative for the funds spent on the clothing after the board approves the request.
  - Representative sends invoice for lift chair to AFT. AFT pays the furniture store **directly** for the chair after the board approves the request.

# Trust Disbursement



AFT

100 Centerview Drive, Suite 200 | Vestavia Hills, AL 35216
Phone: 205-883-8333 | Fax: 205-883-0333 | info@alabamafamilytrust.com

**REQUEST FOR DISBURSEMENT**

NAME OF **BENEFICIARY**: _____

**BENEFICIARY** RECEIVES (MUST CHOOSE AT LEAST ONE):

_____ SSI _____ Medicaid _____ No governmental benefits

_____ Other benefits – please specify: _____

NAME OF REPRESENTATIVE: _____

REP PHONE: _____ REP EMAIL: _____

PAYABLE TO: _____

PAYEE ADDRESS: _____

AMOUNT REQUESTED: $ _____

(ACH: FOR PERSONAL REIMBURSEMENT ONLY)

BANK NAME: _____

ROUTING NUMBER: _____ ACCOUNT NUMBER: _____

PURPOSE: Disbursements must be made on behalf of the Beneficiary. Please provide detailed information about the purpose of the requested disbursement. For example, if you are requesting a disbursement for cell phone service for the beneficiary, but the household uses a family plan, please request only the amount due for the beneficiary's portion of the service and provide a copy of the bill showing the beneficiary's portion of the bill.

_____

_____

DOCUMENTATION ATTACHED (INVOICE, ESTIMATE, ADVERTISEMENT, RECEIPT, ETC.): _____

PROOF OF PAYMENT IF PERSONAL REIMBURSEMENT:

CREDIT CARD INFORMATION _____ ATTACHED _____ ON FILE

BANK ACCOUNT INFORMATION _____ ATTACHED _____ ON FILE

Under penalty of perjury, I declare that to the best of my knowledge and belief, the information contained in this Request is true, accurate, and complete. I understand that false or incomplete information could affect the Beneficiary's eligibility for certain benefits programs. I understand and agree that any refund of any disbursement made for the Beneficiary must be returned to AFT for depositing back into the Beneficiary's trust account.

Representative Signature: _____ Date: _____

Page 1 of 1 Rev. 2-2026

Alabama Family Trust form to request disbursement(s) from the beneficiary's trust.

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# Recurring Disbursements Request

Recurring Disbursements Request are disbursements made from the trust account. Recurring disbursements must be used for the sole benefit of the disabled person and enhance their life, health, and/or welfare.

The representative can fill out the Request for Recurring Disbursement and have the bills paid directly out of the disabled persons trust account. They will need to notify the company being paid directly to change the bill address to Alabama Family Trust 100 Centerview Drive, Suite 200, Vestavia, AL 35216.

Examples of recurring disbursement request include:

- Private Room Differential
- Beauty Shop Charges
- Cellular Service (in the name of the disabled person)
- Cable TV Service (in the name of the disabled person)
- Sitter Services



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# Pre-need Funeral Arrangements



- What are Pre-needs?
- What are the requirements for Pre-needs?
- What can be paid with the Pre-need?



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# Life Beneficiary and Trust Distributions

TRUE LINK CARD

- **Controlled** pre-paid debit card
- Representative sends invoice for lift chair to AFT. AFT programs card for the furniture store and loads funds on the card.
- The Representative can **pay using the card** for the chair at the store.
- Controlled card is necessary to protect eligibility for benefits.
- Allows Representatives to make proper purchases more easily.



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# Case Management Assessment Services

- Alabama Family Trust has partnered with several companies to provide Case Management Assessments, *free of charge*, to the beneficiaries who would like to take advantage of this opportunity.

- Alabama Family Trust's Charitable Trust pays for these assessments.



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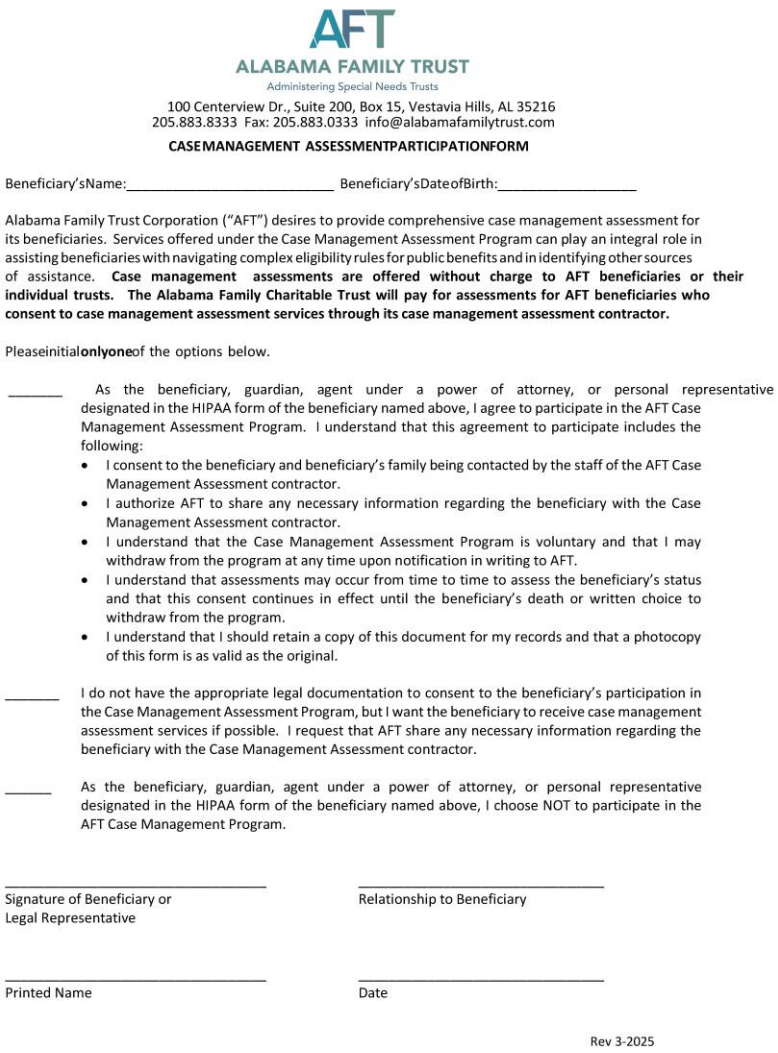
# Case Management Assessment



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100 Centerview Dr., Suite 200, Box 15, Vestavia Hills, AL 35216
205.883.8333 Fax: 205.883.0333 info@alabamafamilytrust.com

**CASE MANAGEMENT ASSESSMENT PARTICIPATION FORM**

Beneficiary's Name:_____ Beneficiary's Date of Birth:_____

Alabama Family Trust Corporation ("AFT") desires to provide comprehensive case management assessment for its beneficiaries. Services offered under the Case Management Assessment Program can play an integral role in assisting beneficiaries with navigating complex eligibility rules for public benefits and in identifying other sources of assistance. **Case management assessments are offered without charge to AFT beneficiaries or their individual trusts. The Alabama Family Charitable Trust will pay for assessments for AFT beneficiaries who consent to case management assessment services through its case management assessment contractor.**

Please initial **only one** of the options below.

_____ As the beneficiary, guardian, agent under a power of attorney, or personal representative designated in the HIPAA form of the beneficiary named above, I agree to participate in the AFT Case Management Assessment Program. I understand that this agreement to participate includes the following:

- I consent to the beneficiary and beneficiary's family being contacted by the staff of the AFT Case Management Assessment contractor.
- I authorize AFT to share any necessary information regarding the beneficiary with the Case Management Assessment contractor.
- I understand that the Case Management Assessment Program is voluntary and that I may withdraw from the program at any time upon notification in writing to AFT.
- I understand that assessments may occur from time to time to assess the beneficiary's status and that this consent continues in effect until the beneficiary's death or written choice to withdraw from the program.
- I understand that I should retain a copy of this document for my records and that a photocopy of this form is as valid as the original.

_____ I do not have the appropriate legal documentation to consent to the beneficiary's participation in the Case Management Assessment Program, but I want the beneficiary to receive case management assessment services if possible. I request that AFT share any necessary information regarding the beneficiary with the Case Management Assessment contractor.

_____ As the beneficiary, guardian, agent under a power of attorney, or personal representative designated in the HIPAA form of the beneficiary named above, I choose NOT to participate in the AFT Case Management Program.

_____ _____
Signature of Beneficiary or Legal Representative | Relationship to Beneficiary

_____ _____
Printed Name | Date

Rev 3-2025

Actual form can be downloaded from AFT's Documents webpage.

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# What happens when the Beneficiary runs out of Money?



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100 Centerview Dr., Suite 200, Vestavia Hills, AL 35216
Phone: 205.883.8333 | Fax: 205.883.0333 I info@alabamafamilytrust.com

**CHARITABLE TRUST GRANT REQUEST FORM**

Name of **Beneficiary**: _____

**Beneficiary** Receives (MUST CHOOSE AT LEAST ONE):

**____ SSI ____ MEDICAID ____ No government benefits**

**____ Other benefits – please specify: _____**

Name of Representative: _____

REP PHONE: _____ REP EMAIL: _____

AMOUNT REQUESTED $_____

Payable to: _____

Address: _____

_____

**PURPOSE:** which **must** be for or on the behalf of the Beneficiary. Please provide detailed information about the purpose of the requested disbursement. For example, if you are requesting a disbursement for cell phone service for the beneficiary, but the household uses a family plan, please request only the amount due for the beneficiary's portion of the service and provide a copy of the bill showing the beneficiary's portion of the bill.

_____

_____

_____

DOCUMENTATION ATTACHED (INVOICE, ESTIMATE, RECEIPT, ETC.:_____

PROOF OF PAYMENT IF PERSONAL REIMBURSEMENT

CREDIT CARD INFORMATION _____ ATTACHED _____ON FILE
BANK ACCOUNT INFRMATION _____ ATTACHED _____ ON FILE

Under penalties of perjury, I declare that to the best of my knowledge and belief, the information contained in this request is true, accurate and complete. I understand that false or incomplete information could affect the Beneficiary's eligibility for certain benefits programs. I understand and agree that any refund of any disbursement made for the Beneficiary must be returned to AFT for depositing back into the Charitable Trust.

Representative Signature: _____ Date: _____

Page 1 of 1 Rev 3-2025

Alabama Family Trust has a *Charitable Trust Fund* that can help beneficiaries who have depleted their trust accounts.

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# Current Cost and Fees

- Fees:
  - $750.00 – Initial one-time fee to establish trust account
  - $350.00 – Trust closure fee at death of Beneficiary
  - $395.00 up to $525.00 – Fee for preparing and filing of the trust's federal and state income tax returns is based on complexity.
  - $450.00 – The maintenance fee Alabama Family Trust charges each October for any trust that has been in force for six months or more.
    - The maintenance fee is $0 for trusts with a market value of $3,000 or less on September 30.



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# Current Cost and Fees

- ADMINISTRATIVE FEE: Annual administrative fee of 1.6% based on market value and charged each quarter as follows (but only to the extent there are earnings sufficient to pay such fees-not charged to principal):

  - 0.4% ..... March 31
  - 0.4% ..... June 30
  - 0.4% ..... September 30
  - 0.4% ..... December 31



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# Termination - A Beneficiary with a First-Party Trust Dies



- Closing fees are deducted.
- 10% of any funds remaining are applied to the AFT Charitable Trust Fund to use for people that have exhausted their accounts.
- The remaining funds are used to reimburse Medicaid, to the extent possible, for services provided to the beneficiary.
- Any monies remaining are distributed to the person(s) designated in the trust document to receive the assets.



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# Termination - A Beneficiary with a Third-Party Trust Dies

- Closing fees are deducted.
- 10% of any funds remaining are applied to the AFT Charitable Trust Fund to use for people who have exhausted their accounts.
- Any monies remaining are distributed to the person(s) designated in the trust document to receive the assets.



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# Benefits of Alabama Family Trust

- Accepts trusts as small as $1,500.00.
- Provides fees that are very reasonable in comparison with most private trustees.
- Has a charitable fund that can help beneficiaries when trust assets are depleted.



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# Benefits of Alabama Family Trust

- AFT can shelter the person's spend-down and allow the person to retain eligibility or become eligible for SSI and Medicaid.
- The person's money can be used for his/her needs instead of spending down (or quickly wasting) the money.
- Family does not need to worry about the Social Security and Medicaid regulations because AFT will handle compliance issues.



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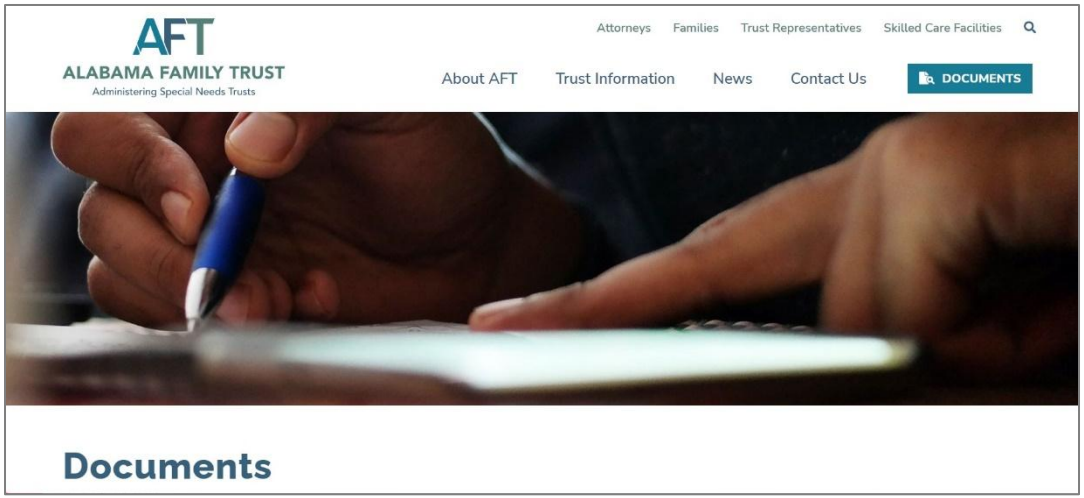
# Completing Trust Documents

Review and complete the documents establishing the trust.

Online forms are at: www.alabamafamilytrust.com/documents/




*Always download from the website in order to use the most current forms.*



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# How to Contact Alabama Family Trust



**Direct line: 1.205.883.8333**
Toll Free: 1.883.881.8333
Fax line: 1.205.833.0333

Hours of Operation
9 am CT to 4 pm CT

100 Centerview Drive Ste 200
Vestavia, AL 35216

info@alabamafamilytrust.com

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