



INSTRUCTIONS FOR OPENING AN ALABAMA FAMILY TRUST ACCOUNT

Irrevocable Agreement – Medicaid Payback Trust (funded with Beneficiary’s assets)

Thank you for your interest in opening an account with Alabama Family Trust (AFT). Creation of a trust – any trust – is a serious legal transaction, and you may want to consult with a legal advisor before submitting your documents to AFT. All documents required to open an AFT Account are found on AFT’s website, www.alabamafamilytrust.com, under the heading “Documents.” Specific documents that must be completed in order to establish an AFT Account include the following:

1. First-Party Irrevocable Trust Agreement (6 pages)

- This may also be referred to as a Medicaid Payback Trust. It is funded with the Beneficiary’s assets. This kind of trust is designed to benefit someone whose own money is being used to fund the trust. It usually does not matter whether the funds come from the Beneficiary or the Beneficiary’s Spouse. If the funds are the result of a legal settlement, they belong to the person who was awarded them under the settlement, regardless of whether the person actually received them personally.
- Anyone completing the Agreement for the Settlor must have legal authority to do so. We need copies of the document that gives you such authority. For example, you are not the Settlor’s conservator unless a court has appointed you. If the Settlor is an adult, you are not the Settlor’s guardian unless a court has appointed you. The Settlor may have signed a Power of Attorney naming you as his/her agent.
- Under Section 11, Additional Trust Provisions, you should initial each paragraph.
- Under Section 12, you should initial each of the attachments listed to indicate you have read them.
- The Settlor and two witnesses must sign on the Signature Page. The date may be completed by AFT.

2. Investment Options Agreement (2 pages)

- The Settlor needs to select and initial one of the seven investment options listed on Page 1.
- The Settlor must also initial A or B, as well as C and D.
- The Settlor and two witnesses must sign on Page 2.
- The date may be completed later by AFT.



3. Confidential Information Form (5 pages)

- Please provide all information requested. ***Remember that you must provide proof of medical impairment for the beneficiary.***
- Each current Representative must provide a photocopy of a government-issued document such as a driver's license or passport.

4. IRS Form W-9 (1 page)

- This may also be referred to as Request for Taxpayer Identification Number and Certification.
- The purpose of this form is to accurately report income from the AFT account.
- The Beneficiary's name, address, and Social Security number are required even if someone has to sign for the Beneficiary.
- This form needs to be completed and returned to AFT.

5. First Party Supplemental Needs Trust, Notice that Trust Funds are Frozen at Death (1 page)

- The purpose of this form is to provide notice that trust funds are frozen upon the death of the Beneficiary.
- This form needs to be initialed, signed, dated, and returned to AFT.

Each of the documents listed above must be completed in full. One reason there are so many different documents is because each relates to a different aspect of administering the trust. Some address investments while others address tax or privacy issues. To help preserve your privacy, AFT endeavors to keep confidential information out of documents (like the First-Party Irrevocable Trust Agreement) that may need to be provided in court or other public settings.

Before submitting these documents to AFT, please review the "Trust Checklist," and make sure you have included all additional documentation necessary to establish an AFT Account.

The following documents on AFT's website are for informational purposes and to assist you both before and after you establish an AFT Account:

1. Schedule of Trustee Fees and Costs
2. List of Items Normally Reimbursed
3. Trust Disbursement Request Form
4. Mileage Form (separate forms for vehicles owned/not owned by AFT)
5. Trust Deposit Form
6. Pre-need Funeral Disbursement Form
7. Investment Objectives and Risk Tolerance Questionnaire