

FLINT WATER INITIAL PAYMENT ELECTION FORM

Claimants who are minors (children) and not disabled at the time of payment have the option to elect a structured settlement or payment of funds into a trust. This option applies only to payments that are more than \$5000. The attached FAQ document explains what “structured settlement” and “trust” mean.

This form allows you to elect the structured settlement option, which allows you to have the settlement funds invested and paid to you over a period of time. If you would like to elect the structured settlement option, then you **MUST** submit this form along with your other claim materials or as a supplement to your claim submission. If you do not fill out this form, the settlement award will be paid into a trust.

THE DEADLINE TO SUBMIT THIS FORM IS WITHIN TWO WEEKS OF THE DATE OF THIS NOTICE.

If you elect the structured settlement option, you will receive additional information about the option. Once you make the election, you cannot revoke (undo or change) it. However, the Court or the guardians ad litem appointed by the Court have the right to reject the provision of a structured settlement if it is not in a minor’s best interest.

1. Payment Election

Please make an election:

- Yes, I would like to elect a structured settlement for any settlement payment that I receive from the Flint Water settlement.
- No, I do not want a structured settlement and will elect to have any payment to which I am entitled paid into a trust approved by the court.

Next Friend Signature	Name of Minor	DATE	
			/ / (month) (day) (year)
Printed Name	First	MI	Last

Initial Payment Election Form Frequently Asked Questions (FAQ)

What is the purpose of the election?

Minors who are not disabled have two choices for receiving their settlement payment: a structured settlement or a trust. These options are described briefly below.

What is a “Structured Settlement?”

The structured settlement will allow you to receive settlement payments at specific payment dates over a period of time. The payments will be made directly to the claimant or the adult representative of the claimant. In a structured settlement (properly set up) the money is invested, and the claimant will receive the investment earnings as well as the settlement money. The earnings on the money will not be taxed when paid to the claimant.

If a minor claimant’s claim is approved by the Claims Administrator and the payment election is approved by the court-appointed guardian ad litem, you will receive a Fund Settlement Agreement which will show the payment dates and amounts of the future periodic payments. The minor claimant’s legal representative must sign the Fund Settlement Agreement and accept the payment terms. No changes may be made to the payment amounts or schedule of payments once a selection is made. The scheduled payments are guaranteed by a court-approved life insurance company that will be responsible for making the payments.

What is a “Trust?”

If you do not fill out this form, then the settlement payment will be made to a court-approved trust. The trust will have a trustee who is responsible for investing the funds for the minor’s benefit. The trust will have a specific time that it holds settlement funds for the minor. There will be two types of court approved trusts available in the Flint Water Settlement:

1. The **Minors Pooled Settlement Preservation Trust** is being set up for minors who are not disabled. The settlement funds will be deposited into the trust and the trustee administering the trust will be able to release funds from the trust account from time to time, for the minor’s use or benefit, only if the trustee believes the expense is related to the minor’s support, education, and welfare. Requests will be submitted to the trustee by the claimant or their legal representative. More information will be provided on the disbursement process upon selecting this monetary payment option.
2. The **Pooled Special Needs Trust** is a court-established trust that is available for minors as well as adults receiving disability-related federal and state benefits, including Medicaid and Supplemental Security Income (SSI). The trustee administering the trust will be able to release funds from time to time for use by the disabled individual, if the trustee believes the expense is in the individual’s best interest. Settlement funds held in the Special Needs Trust help protect eligibility for federal and state disability benefits that have income and asset qualifying tests. If funds remain in the trust after the death of the minor, the trustee must repay federal and state governments for any amounts due upon death.