

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. This option applies only to payments that are more than \$5000. All people representing a Minor Claimant in the Flint Water Settlement will need to complete a Payment Election Form prior to being sent a favorable or adverse notice. The form requires that you select how the payment on behalf of the minor will be made. As stated above there are two options which are more fully described below:

1. Structured Settlement; or
2. Trust.

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 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.

How do I obtain a copy of this form?

A copy of this form should have been sent to you. If you registered online or have already submitted your claims packet on line then your Payment Election form is in your folder and you can access it by logging onto <https://default.officialflintwatersettlement.com/>.

If you registered via mail or have already submitted your claims packet by mail then a Payment Election form has been mailed to you at the current address provided.

If you have not received your form either via mail or cannot access it in your online folder please call our help line at (800) 493-1754. The hours are Monday, Wednesday and Friday from 8:00 AM EST through 5:00 PM EST, Tuesday and Thursday from 8:00 AM EST through 7:00 PM EST, and Saturdays from 8:00 AM EST until 5:00 PM EST. Q