

How will payments be sent to minor claimants (under age 18 at time of payment) and adults who are disabled and who receive SSI benefits?

Michigan law and the terms of the settlement impose requirements on how minors (children) may receive their settlement. A legally authorized representative (for example parent, guardian, or court-appointed representative) for each minor or legally incapacitated adult must select one of the options below. Additional information will be available for each option. This is only a summary – and additional information will be provided at a later date.

Option 1: Structured Settlement

The settlement money is used to purchase an annuity contract that pays out fixed, guaranteed payments on a schedule that the legally authorized representative selects. If you choose this option, the funds are transferred directly to the annuity company approved by the Court. Future payments are made directly to the child after the child becomes an adult on the schedule you pick. The child's legally authorized adult representative will have 6 pay-out options to choose from. Because the child's settlement is invested for him/her, the total pay out to the child when he/she is an adult is greater than the original settlement award. These payments are **guaranteed** in amount. These types of structured settlement payments are not taxable. **Once a structured settlement option is finalized, the amount and timing of payments cannot be changed, even by a court. You cannot access the money in the structure account before the scheduled payment dates. If the child has an immediate need for monies, you can elect a \$5,000 up front payment to benefit the child and put the rest in the annuity (structure).**

For an example of a structure option where you would make your elections and see your structure choices, click [HERE](#)

Option 2: Pooled Preservation Trust

In this option, the settlement money is transferred into a Trust that has been set up and court-approved for children in the Flint Water Settlement. Each child has his or her own Trust account that is managed by Huntington Bank. Huntington Bank is under court oversight. The child's legally authorized representative selects this option by signing a [Joinder Agreement](#). You can apply to Huntington Bank for trust distributions at any time (including before a child is 18) if such distribution is for the child's support, education, and welfare. When the child becomes an adult, the remaining trust funds are paid directly to him/her. Huntington Bank is responsible for investing Trust funds for the benefit of the minors. Interest earned on each child's settlement is taxable (which depends on individual circumstances). As Trustee, Huntington Bank issues regular written reports to the child's legal representative and to the Court.

Option 3: Special Needs Pooled Trust

A claimant who is disabled and received public assistance benefits (for example a claimant who receives SSI social security disability benefits) may have the funds paid directly into a Special Needs Pooled Trust that has been established and court-approved for the Flint Water Settlement. Settlement funds deposited into this Special Needs Trust will not be counted as an individual's

income or assets, and that will protect the claimant's eligibility for continued public assistance benefits. This Special Needs Pooled Trust works similarly to the Pooled Trust described above in that a separate account is created and held for the benefit of a disabled child or adult. That individual's legally authorized representative selects the Special Needs Pooled Trust by signing this [Joinder Agreement](#).

Additional Information on Trust Options

Please click [HERE](#) for more FAQ's on pooled trust options and [HERE](#) for a guide to settlement trusts