

Structured Settlements: Financial security for the golden years

As people near retirement, their focus turns to issues such as financial security and healthcare coverage. Independent living expenses can also be a major concern since the median annual cost for a private bedroom in an assisted living facility ranges from \$30,000 to more than \$55,000, depending on the state of residence.

Financially, seniors face greater investment risks due to the shorter timeframes of their remaining lives. Imagine making a large investment in stocks in 2007 or 2008, just prior to the financial meltdown. Having to withdraw money to meet living expenses during that time upended even the best financial planning.

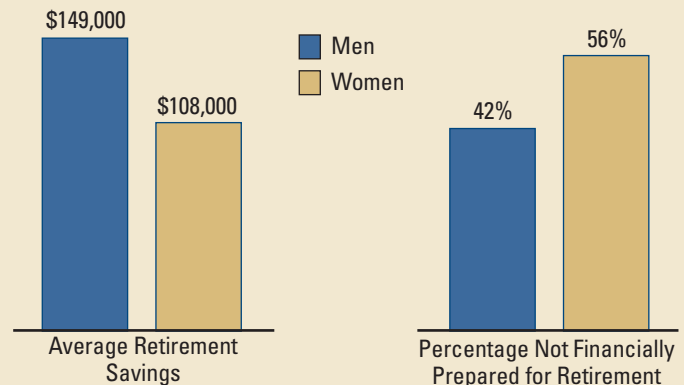
Of even greater concern, according to the AARP, is one of the public's biggest misconceptions about Medicare: that it covers long-term care needs such as rehabilitation after an injury. Medicare only covers this for a short time and does not cover assistance with daily living needs that many older adults will require.

State-run Medicaid only covers nursing home care if your income is below a certain level and only after you have depleted almost all your savings.

With this need for financial protection and the prospect of increasing life expectancy, seniors can derive special benefits from a structured settlement annuity. For example, a "joint life" structured settlement annuity is virtually the only product that can guarantee lifetime tax-free income for both a plaintiff and spouse.

A structured settlement annuity's regular tax-free income also makes it ideal to fund basic living and medical expenses. Additionally, if you qualify, and your structured settlement is paid irrevocably into a

Retirements can be uncertain... ... a structured settlement is a solution



Average retirement savings for men (\$149,000) is substantially more than for women (\$108,000). Also, more than half of women (56%) do not feel financially prepared for retirement, compared to 42% of men.

(Source: 2012 ING Retirement Research Institute survey of more than 4,000 adults.)

special needs trust, you can maintain eligibility for needs-based government benefits including Medicaid and Supplemental Security Income.

Regarding Social Security, federal tax rules are clear that structured settlement payments do not impact your eligibility or the amount of your benefits.

Additionally, you have the legal right to designate your future guaranteed payments to a specific person or persons if you should not survive to receive them. Payments flow directly to your designated recipient without needing to pass state probate court. That income remains non-taxable to your chosen recipient.



"When I'm mediating a case, I frequently reach out to structured settlement professionals. With their expertise in finance and knowledge of medical costs, they play a crucial role in quantifying an injury victim's future expenses and then designing payments to meet those needs."

– Hon. Richard Gilbert, Mediator
Former Presiding Judge, Superior Court of California