

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.

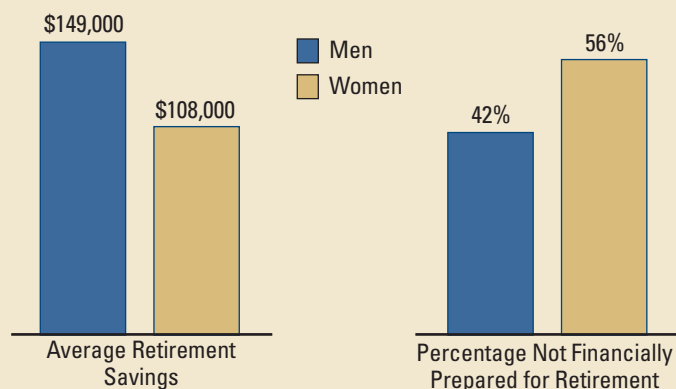
Of even greater concern, according to the AARP, is one of the public's biggest misconceptions about Medicare: that it covers long-term care needs such as rehabilitation after an injury. Medicare only covers this for a short time and does not cover assistance with daily living needs that many older adults 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 annuity. For example, a "joint life" structured annuity is virtually the only product that can guarantee lifetime tax-free income for both a plaintiff and spouse.

A structured annuity's regular tax-free income also makes it ideal to fund basic living and medical expenses. If set up properly, you can arrange for structured payments while maintaining eligibility for

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.)

needs-based government benefits. This gives you a guaranteed source of funds in addition to Medicaid, while still allowing you to remain eligible for SSI.

Federal tax rules are clear that structured settlement payments do not impact Social Security eligibility or the calculation of Social Security benefits.

As an added legal benefit, you retain the 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